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NEWS SUMMARY

GENERAL

'Secret plan' to free Iran hostages

Abolhassan Bani-Sadr, Iran's President, said he had a secret plan for arranging the release of the U.S. hostages in Tehran.

He gave no details but suggested in a live radio interview that the hostages might be freed in the coming days or hours. "It depends on the U.S. Government."

President Jimmy Carter ordered a U.S. assault force of 1,800 marines and four ships to join two aircraft carrier task forces in the Gulf area. Back Page

Mosque seized

Thousands of Iranian air force men began an indefinite sit-in at Tehran University's mosque, demanding Islamic councils in the armed forces and the release of certain imprisoned officers.

Doctors fight to save Tito's life

Doctors were fighting last night to save the life of Yugoslav President Tito, whose condition deteriorated during the day as his heart and kidney functions weakened further.

Rhodesia police

Britain decided to send another 400-500 police and local government volunteers to Rhodesia to curb intimidation at the polls. Back Page

China top post

Bo Yibo, a victim of China's Cultural Revolution rehabilitated and made a vice-premier last year, was made head of a new commission to oversee national engineering. Page 3

U.S. rejoins ILO

The U.S. decided to rejoin the International Labour Organisation, which it left in 1977 over what it considered undue involvement in outside politics.

Peace chairman

Mairead Corrigan, co-founder of the Northern Ireland Peace Movement, was elected its chairman after last week's dismissal of Peter McLachlan from the post.

Rethink on IRA

Royal Ulster Constabulary chief Jack Hermon ordered a thorough review of police tactics against the IRA.

Concorde ban

Lebanon is to ban supersonic flying by Concorde over its territory from the end of the month.

Tribute to victim

Thousands of Italians paid tribute to terror victim Professor Vittorio Bachelet, but a trade union call for a general strike won little support.

Police charged

Twenty policemen are to be charged with murder, banditry and assaults on women in northern India.

Late for funeral

Mourners at a North London funeral waited an hour and a half for the coffin to arrive. Police had towed away the hearse for alleged illegal parking.

Briefly . . .

David Janssen, star of films and the TV series The Fugitive, died of a heart attack in California, aged 49.

Bus returning to Turkey from Yugoslavia crashed into a ravine in Bulgaria, killing 25 passengers.

Brazilian councillor shot dead a taxi driver he suspected of stealing beans from his farm.

BUSINESS

Sterling firm; Gilts up 0.95

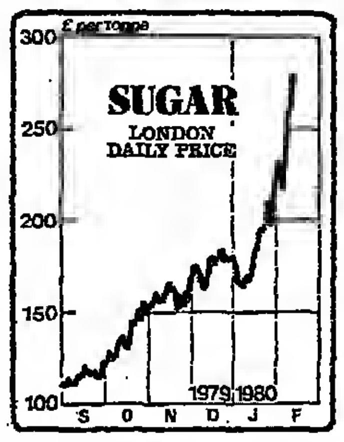
● STERLING was firm against most currencies, and closed 1.15c up at $2.3085. Its trade-weighted index was 73.0 (72.9). DOLLAR fell later to close at DM 1.7350 (DM 1.7415), and its index was 85.1 (85.2).

● GOLD lost $2.5 in London to close at $698.

● GILTS gained on the Bank of England's move to soothe liquidity problems in the money markets. Longs gained up to 1⅞, shorts up to 1⅜, and the Government Securities index rose 0.95 to 67.05.

● EQUITIES: some leading shares secured double figure gains, and the FT 30-share index rose 9.5 to a four-month high of 478.8.

● WORLD SUGAR prices reached a five-year peak with the London daily price rising



by £18 to £280 a tonne. As a result, the EEC Commission is to scrap export rebates, which cost the Community £475m last year. Page 37

● WALL STREET was up 8.61 at 907.59 just before the close.

● ECONOMY seems to have stopped expanding before the end of last year, but the latest Government industrial output figures do not yet provide conclusive evidence of the start of a recession. Back Page

● SHELL, as operator of a four-company consortium, plans to develop a natural gas field in the North Sea to boost winter supplies to the British Gas Corporation. Back Page

● BL CARS began to disclose details of temporary plant closures amid news that the company's share of the UK market had slipped to 18.8 per cent in the first 10 days of February after a promising start to the month. Back Page. Editorial comment, Page 22

● NISSAN Motors of Japan is resisting U.S. offers to build an American car plant. Page 6

● AGREEMENT was reached last night between unions and management of British Shipbuilders on this year's pay claim for 75,000 men in the nationalised shipbuilding and ship repair industry.

● WATER workers in two more unions in the supply and sewerage industry rejected the employers' 19.2 per cent pay package. Page 12

CompAir agrees £58m bid

● IMPERIAL Continental Gas Association, the fuel and power group, emerged as the suitor for CompAir, the compressed air group, on agreed terms valuing the company at £58m (105p per ordinary share). Back Page; News Analysis, Page 8

● BIRMID QUALCAST, the West Midlands foundry and engineering products group, report pre-tax profits for the year down from £4.77m to £3.11m. Page 24 and Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas. 12pc 1984	£90½	+ 1⅛
Treas. 12½pc 2003-05 A (£25 pd.)	£23¾	+ 1¼
Brent Walker	71	+ 7
City Intnl. Trust	134	+ 25
CompAir	102	+ 6½
Dunlop	70	+ 7
Fashion and General	165	+ 20
Fisons	304	+ 16
Furness Withy	332	+ 45
GEC	388	+ 11
Glaxo	260	+ 10
Harris Queensway	184	+ 11
House of Fraser	142	+ 8
Intnl. Thomson	474	+ 14
Intnl. Timber	126	+ 8
Land Securities	304	+ 8
Newmark (Louis)	312	+ 12
Norwest Holst	118†	+ 7
Plysu	106	+ 8
Securicor	106	+ 10
Stylo	203	+ 13
Tube Invs.	310	+ 8
Aran Energy	370	+ 24
BP	412	+ 12
Burmah Oil	210	+ 11
Guthrie	888	+ 33
Williamson Tea	262	+ 17
Ashton Mining	170	+ 15
Charter Cons.	194	+ 9
Cons. Gold Fields	520	+ 10
Conzinc Riotinto	348	+ 16
EZ Inds.	380	+ 25
Northern Mining	160	+ 20
RTZ	485	+ 30
Samantha	142	+ 24
FALLS		
Appleyard	79	− 5
IC Gas	746	− 18
Lucas Inds.	239	− 10
Lennard Oil	70	− 8
Thiess Holdings	460	− 35

† Suspended

'No further forward' after ACAS meeting

Yorkshire miners asked to join in steel picketing

BY NICK GARNETT AND CHRISTIAN TYLER

Steel strike leaders in South Yorkshire have formally asked the mineworkers' union for pickets to widen the dispute and hit steel users, particularly engineering companies.

They aim to put pressure on Confederation of British Industry member companies, in the belief that only when further damage is done will the CBI ask the Government to settle the dispute.

Strike leaders on Teesside have agreed that the direct help of other unions should be sought, and Scottish strike organisers will be urged to take the same line at a meeting on Saturday.

The executive of the Yorkshire area of the National Union of Mineworkers met yesterday to discuss the request.

Miners say that, unless the strike is brought quickly to a head their own industry might suffer. Pit delegates from the whole of Yorkshire were being convened to hear the request for reinforcements.

The prospect of miners joining the picket lines came as the first shipyard lay-offs were announced. Austin and Pickersgill in Sunderland is putting its 2,600 production workers on a three-day week from Monday because of a steel shortage.

Leaders of the two main unions on strike went to the Advisory, Conciliation and Arbitration Service yesterday for more exploratory talks. Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation, said matters were no further forward. ACAS will report back to the British Steel Corporation.

The sympathy strike by private sector steelworkers appeared to harden again yesterday. Some if not all the ISTC members at the big Hadfields works in Sheffield came out on strike again after the failure of moves to grant Hadfields dispensation.

The ISTC is planning a new assault on Sheerness Steel, the only large private sector steel company whose workers have consistently refused to take sympathetic action. The union would not disclose what form the new attack would take, but an official said: "There are more ways of killing a pig than pulling at its tail."

Work resumed at two plants in the Greater Manchester area yesterday, Manchester Steel and Exors of James Mills.

The Norwegian-owned Manchester Steel's other plant, Bidston, Birkenhead, is also back in production.

A meeting of private sector delegates of the ISTC has been called for Monday in London. They will review the effect of the action after a meeting of the union's national executive, when the offers of picketing support will probably be discussed.

An important factor in the dispute — which some strikers believe could go on until April — will be the verdict to-day of other steel unions' rank-and-file delegates on an offer of 14 per cent from the corporation.

The offer — 10 per cent on basic rates for an "enabling" agreement, and 4 per cent after local productivity deals — will be voted on by members of craft and general unions at TUC headquarters. Transport Union delegates have already decided to reject the offer.

Mr. Stan Sheridan, spokesman for the Rotherham strike committee in Yorkshire, said yesterday the Government was taking no notice of the dispute.

It would involve itself only when the CBI felt that the strike was doing real damage to its members. For that reason the steel unions had to ensure that the dispute bit much further.

Continued on Back Page
Strike effects Page 8

Ministers agree to tougher curbs on blacking

BY RICHARD EVANS, LOBBY EDITOR

UNIONS WILL face much tougher restrictions on blacking and sympathy strikes under compromise proposals on industrial relations law agreed yesterday by senior Ministers.

Further curbs on trade union immunities will be published next week, probably on Tuesday, before being included in the Employment Bill now before Parliament.

All indications last night were that both the Cabinet hawks, who pressed for much tougher restrictions, and the doves, who wanted the additional curbs restricted to blacking, were reasonably satisfied with the formula.

But the argument, which has threatened to open dangerous divisions within both the Cabinet and the 1922 Committee of Conservative back-benchers, is by no means over.

Part of the package agreed yesterday by 15 Ministers at a two-hour Cabinet committee meeting was that there should be a Green Paper published in the summer which will launch a wider review of the whole issue of trade union immunities.

Ministers who have been advocating a much tougher strategy against what they see as union abuses believe that this will ensure an Industrial Relations Bill next session to restrict immunities further.

The compromise agreed upon yesterday, which supporters of Mr. James Prior, the Employment Secretary, greeted with relief, would restrict immunities from civil court action to sympathy strikes and blacking against only major suppliers and customers.

So, if unions took action against other companies which trade with a company in dispute, an employer could take civil action against individual trades unionists for breach of commercial and employment contracts.

Mr. Prior, after lengthy consultations with the law officers, presented a draft to the Cabinet committee which sought to define major and minor suppliers. It is understood that the formula was agreed partly through the peace-making efforts of Mr. William Whitelaw, the Home Secretary.

The big question mark now will be how fiercely the trade unions react to the proposals. They are certain to be hostile, but some union leaders might feel Mr. Prior deserves support for preventing the Cabinet hawks from going as far as they desired.

A motion will be tabled to the Bill today to speed its progress and ensure that the Bill concludes its committee stage by the end of March.

£96m Hong Kong bid for Furness

BY WILLIAM HALL AND JOHN MOORE

THE C. Y. TUNG group of Hong Kong, one of the world's largest shipping groups, is making a £96.5m cash bid for Furness Withy, the British shipping group.

C. Y. Tung is making a 360p per share offer for Furness Withy through its quoted subsidiary Orient Overseas Container (Holdings). Antony Gibbs Holdings which is an associate of the Hong Kong and Shanghai Bank, is acting for Orient Overseas.

The move comes after Eurocanadian was forced by a Monopolies Commission report to break up its 24 per cent stake in Furness Withy.

Eurocanadian last year transferred its Furness shares to its three shareholders — Helix Investments, Canadian National Railways and Dolphin Investments, the family investment vehicle of Mr. Frank Narby, the shipping entrepreneur who was chief executive of Eurocanadian until the end of last year.

Dolphin has since reduced its stake in Furness to under 10 per cent. In a related move, Eurocanadian has agreed in principle to sell its 37.6 per cent stake in Manchester Liners to Canadian National Railways.

The C. Y. Tung group first started buying shares in Furness three months ago and has since built up a stake of 5.03 per cent.

The shares are understood to have been purchased at an average price of around 241p. Only some came from Dolphin. Orient Overseas' bid, however, faces a considerable hurdle with the UK authorities who could refer it to the Monopolies Commission.

On the London Stock Exchange, Furness shares rose 45p to 332p ahead of the announcement which was made after the close of trading. Furness Withy said last night that "shareholders are strongly advised to take no action until they receive further advice from the board."

Orient Overseas is a leading independent shipping company, quoted on the Hong Kong stock exchange, it is roughly the same size as Furness Withy. It owns 22 container ships, four bulk cargo vessels, 14 tankers and has eight new ships on order. Its parent company, the C. Y. Tung group, owns or operates 119 ships totalling more than 9m dwt.

Furness has been the subject of considerable takeover speculation in the past particularly since the results for the half year ending June 1979 when pre-tax profits fell from £5.75m to £0.9m.

Lex Back Page

CONTENTS

For latest Share Index phone 01-246 8026

Howe promises talks on closures

By Christian Tyler, Labour Editor

THE GOVERNMENT had made "the first tentative move" towards genuine negotiations on the rundown of the State steel industry and further plant closures, Mr. Len Murray, TUC general secretary, said yesterday.

He was commenting on a letter from Sir Geoffrey Howe, the Chancellor. The TUC had demanded written assurance on BSC closures, on coking plant imports and EEC aid to avert the threat of widespread industrial action starting in South Wales.

The rundown plans would mean the loss of 21,237 jobs from closures, 12,000 from plants otherwise unaffected, in addition to 20,000 from closures already agreed by the trade unions.

Last night an official of the Iron and Steel Trades Confederation said the Chancellor's letter was unlikely to satisfy the steelworkers. The union is holding in reserve a writ against the corporation alleging a breach of its statutory duty to consult its trade unions.

Sir Geoffrey wrote: "We have been assured by BSC that they are anxious for further consultations to take place as soon as possible between themselves and the unions about their proposals and the basis for them.

"The Government hopes that these consultations can proceed just as soon as possible."

Union leaders in the nationalised industries are to decide on Tuesday what action to recommend to the TUC general council at the end of the month. Miners leaders meet to-day.

A TUC delegation is to meet Mr. Henk Vredeling, EEC Commissioner for Social Affairs, and Viscount Etienne Davignon, Commissioner for Industry, next Thursday to discuss EEC aid for coal and steel.

Sir Geoffrey says in his letter that the Government agrees there should be an urgent joint examination with the TUC at official level to examine the scope for using more EEC funds.

Mr. Murray welcomed the "limited progress" which had been made on coking coal.

The BSC has undertaken not to import another 1.3m tons of coking coal this year following the National Coal Board's decision to meet about two-thirds of the £33m cost of domestic coking coal.

But South Wales miners' leaders were unimpressed.

Bank acts to prevent rise in lending rates

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE BANK of England yesterday acted to ease some of the pressures of the current monetary squeeze on the clearing banks in the hope of preventing a rise in their base lending rates.

The latest move involves the sale now and repurchase in a month's time of gilt-edged stocks totalling about £500m. It is in addition to £1bn of special deposits already released into the banking system and large day-to-day official aid to the money market.

The main impact of the further assistance will be to reduce, though not eliminate, the pressures on the clearing banks.

This makes it highly unlikely that base rates will be raised in the immediate future, though this has always seemed improbable because of the obvious embarrassment for the banks of a rise just before a sharp increase in 1979 profits is announced.

This is the first time the Bank has intervened in this way since 1972. The action was presented as a "smoothing operation with the aim of relieving excessive pressures which have arisen in the money market."

The immediate market reaction was favourable in the hope that the next move in interest rates will be down. Prices of long-dated gilt-edged stocks, which have recently been weak, rose by up to £2 and there were gains of £1¼ in shorts.

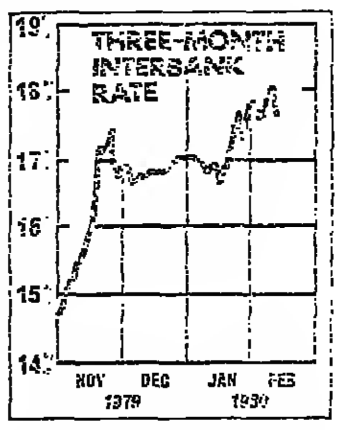
The official view is that further action is necessary because the pressures are temporary and there has been no fundamental change in the demand for credit.

It is also argued it would be wrong to change interest rates ahead of the announcement of the fiscal and monetary targets for 1980-81 in the Budget in six weeks' time.

On this view the pressures are primarily the result of intense but, it is hoped, short-lived shortages of liquidity caused by higher than expected seasonal payments of all types of tax and by heavy sales of gilt-edged stock, with calls of over £1bn in the next month, including £450m on Friday.

All this has drained money away from the market at a time when industry is under financial pressure and is borrowing heavily because of excessive holdings of stocks.

The Bank's critics, of whom there were a number yesterday in the City, argued that moves to ease liquidity represented a significant easing of the monetary squeeze and of the corset restrictions on the growth of the banks' operations in face



of inflationary pressures and the threat of a politically unacceptable rise in interest rates.

By coincidence Mr. Gordon Richardson, Governor of the Bank, last night defended a tight monetary policy against both its critics and, implicitly, against over-zealous supporters.

He highlighted the continuity of policy in the last few years under both recent administrations. He said that monetary policy could not be relaxed in view of the inflationary pressure nor did it alone have the answers.

Mr. Richardson said: "It is in just such circumstances as we have now—in which upward pressure on pay and prices has built up strongly—that we can least afford to allow monetary developments to accommodate the inflation we need to master."

The details of yesterday's move are that the London and Scottish clearing banks are being offered facilities equivalent to 1[illegible] per cent of their eligible liabilities (roughly £500m) from February 15 until March 13. Interest will be charged at Minimum Lending Rate.

This [illegible] the banks on the [illegible] statistical make-up day next Wednesday and should reduce the penalties they face under the corset restrictions.

In addition, the Bank also arranged a repurchase agreement on eligible bank bills in the money market amounting to at least another £500m which will also last into the next banking month.

Lex Back Page

£ in New York

—	Feb. 13	Previous
Spot	$2.3060-3070	$2.2925-2935
1 mth	0.76-0.72 dis	0.75-0.70 dis
3 mths	1.84-1.79 dis	1.75-1.70 dis
12 mths	4.35-4.25 dis	4.27-4.15 dis

Quick settlement of IG-Metall wage demands

BY ROGER BOYES IN BONN

WEST GERMANY'S metal manufacturing workers, traditionally the pace-setters in German industry, have agreed to accept a 6.8 per cent wage increase after surprisingly smooth and speedy negotiations.

The relatively low settlement will come as a relief to both the Bundesbank (Central Bank) and the Government who had warned of the dangers of a wage-price spiral.

The settlement was reached early yesterday between the powerful IG-Metall union and the Gesamtmetall employers association in the key region of North Rhine Westphalia. IG-Metall originally demanded rises of around 10 per cent, a figure which drew cries of alarm from the employers, politicians and the Bundesbank.

But a 6.8 per cent agreement—extra payments for the lower paid will push the actual figure to between 6.9 and 7 per cent—will be discreetly welcomed by the Bonn Coalition.

Settlements much over 7 per cent would threaten the forecast growth rate of 2.5 per cent but it was equally clear that the unions would not be satisfied with the 5 per cent rises they had been receiving over the past two years.

West Garmany looked aet for a tough wage round earlier this winter with many unionists demanding specific compensation for oil price rises, a generous inflation allowance and an increased productivity allowance to reflect the higher profits of employers in, for example, the steel industry. But, apart from a few token strikes, the negotiations have proceeded smoothly.

Two factors seem to have been at work. One was the recognition by many union leaders that, despite the economic upturn in 1979, employers simply could not afford much more than about 7 per cent. Although sales and orders were up in many sectors this was not necessarily reflected in profits

The second point taken into consideration by the unions appears to have been the October elections. The unions have traditional links with the Social Democrat Party and were anxious to prove themselves a "reliable social partner."

Technically yesterday's agreement binds only the North Rhine Westphalia Region, which groups some 1m workers and includes the industrial Ruhr area. But the union leaders have recommended that the remaining 2m workers follow suit

Swedish consumer prices leap 3%

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

CONSUMER PRICES in Sweden soared by 3 per cent in January according to the latest report from the state Prices and Cartel Board. The price rise is one of several factors prompting the non-Socialist coalition Government to revise the 1980 financial estimates it submitted together with the budget only last month.

House rent agreements and farm price settlements usually boost consumer prices in January but last month's rise is the biggest since the 1950s. Prices for a group of basic foodstuffs climbed by 8.1 per cent during the month. As part of its effort to cut public spending, the Government has refused to increase food subsidies.

One third of the January consumer price increase is attributable to higher housing costs. These have been pushed up by oil price rises and by the increase in interest rates, which are at a record level.

Ministers have already recognised that the 7 per cent rise in consumer prices forecast for 1980 in the government financial statement is unrealistic. Latest estimates give Sweden an inflation rate of between 12 per cent and 16 per cent this year.

Mr. Staffan Burenstam Linder, the Trad eMinister, commented that inflation could not be beaten by forbidding it. Sweden had to adjust to the new oil prices. About 70 per cent of the country's energy requirements and met by oil imports.

The January pdice increases were described as "almost catastrophic" by Mr. Harry Fjällström, the trade union federation's chief negotiator. It would now be difficult to formulate the new national wages settlement under negotiation, be said.

The Government is already revising its 1980 financial estimates. No new figures have yet been published but Mr. Gösta oBhman, the Economy Minister, has warned Swedes to expect further belt tightening.

Prices in West rise 12%

BY DAVID WHITE IN PARIS

CONSUMER PRICES in the industrialised West rose by 12 per cent in the year to December 1979, according to the Organisation for Economic Co-operation and Development (OECD).

The figure was pushed up by a price spurt in December, when OECD members' average inflation rose from 0.7 per cent to 0.9 per cent. In November, the year-on figure had been 11.4 per cent.

The end-of-year acceleration again reflected the rise in energy costs. At the same time, food prices stopped playing a moderating role.

Inflation accelerated strongly in the U.S., the UK, Ireland and Italy, but dropped in Japan and the Scandinavian countries, OECD reported. Turkey and Iceland continued to contribute the highest figures.

Conflict in Spain over military courts role

By Robert Graham in Madrid

A CONFLICT OVER the competence of civil and military jurisdiction has risen from two recent instances of military law being applied to what Spain's new constitution specifies as civilian matters.

The first concerns Sr. Miguel Angel Aguilar, editor of the Madrid daily newspaper Diario 16. He appeared before a Madrid military court on February 1 charged with alleged slander of the good name of the armed forces.

The charges relate to an article published by the paper on January 25 in which a correspondent said disaffected elements of the military had talked of a putsch, linking this with the sudden removal of a general commanding Spain's key operative division.

Prison term

Sr. Aguilar was charged under Article 317 of the Military Code which prescribes up to six years in prison for any insult to the armed forces.

The second case concerns the military seizure of a newly made film "The Crime of Cuenca." Made by Spain's leading woman director Pilar Miro, it is based on a true miscarriage of justice.

In 1913 two men were arrested for the murder of a man who had disappeared three years earlier. Five years later they were finally charged after having confessed to the crime. They were released on parole in 1924 only to discover two years later that the man they were supposed to have murdered was still alive.

The Government was apparently willing to let the film be distributed but under a special classification in view of its violent nature and the clear implication of the para-military Civil Guard in torturing the two men.

But the military seized the film on February 1 and a tribunal is assessing whether it has insulted the forces. It was seized the same day as six Civil Guards were assassinated in an ambush in the Basque country.

Lawyers and politicians, especially on the Left, argue that these actions by the military are against both the spirit and letter of Spain's new constitution. Various articles of the constitution state explicitly or implicitly the supremacy of civilian jurisdiction.

Military jurisdiction is limited to offences committed by members of the forces relating to purely military matters.

Antiquated role

The problem of competence is aggravated by delays in rewriting Spain's antiquated military code. The project to reform military law was originally sent to Parliament in September, 1978 but the drafting committee has still failed to complete its work.

Thus the all-embracing Article 317 now being invoked by the military still remains technically in force, or at least creates a vacuum as Sr. Agustin Rodriguez Sahagun, the Defence Minister, claimed this week. There is concern, however, that the delays in the preparation of the new code have been due to military sensitivity, and military pressure.

EEC farm lobby active against price plans

BY MARGARET VAN HATTEM IN BRUSSELS

Mr. Finn Olav Gundelach (left) and Sir Henry Plumb: caught in the parliamentary in-fighting at Strasbourg

THE EUROPEAN Parliament appears to be having second thoughts about its attack on the EEC budget.

Members meeting in Strasbourg this week are beginning to realise that the farm spending cuts they demanded last December, when they rejected the Community's 1980 budget, will hit European farmers. There are plenty of farmers' representatives in Strasbourg this week to ensure that they grasp the point.

So when Mr. Finn Olav Gundelach, the EEC Farm Commissioner, presented his farm price proposals to the parliament earlier this week, the initial reaction was hostile and the chances of his winning the parliament's support looked slim.

The proposal for this year's farm price review represent the Commission's attempt to stave off bankruptcy with an attack on the Community's notorious farm surpluses, sweetened by a 2.4 per cent average price rise. Parliament's support is not essential, but it would be a useful weapon for Mr. Gundelach when he confronts EEC governments in the Council of Ministers.

For his proposals are already starting to look like a lost cause. The French Government launched a rearguard attack on them before the ink was dry on the paper. M. Pierre Mehaignerie, the French Farm Minister, telephoned Mr. Gundelach to warn him that the linch-pin of the package—a plan to make dairy farmers bear the cost of any further increases in surplus milk output—would be unacceptable unless it were redrawn so as to exempt most French dairy farmers.

Germany and Britain rejected other parts of the package while COPA, the EEC farmers' organisation, predicted that the farmers would be rioting in the streets, and demanded price rises of nearly 8 per cent.

So far, the only signs of support have come from the Parliament's Budget Committee which wants to see a lid put on farm spending. This spending now swallows three-quarters of the total budget.

Mr. Gundelach estimates that if his proposals were accepted, farm spending this year would be marginally less than in 1979, in conformity with the Budget Committee's requirements.

But support within the Parliament for the Budget Committee has weakened appreciably since last December. Many members now feel that they were dragooned into rejecting the budget, and the Budget Committee knows they will not do so a second time, whether or not their demands are met.

The farmer-orientated Agriculture Committee in particular is incensed at the way the budget committee has monopolised the headines and is determined to push it aside. In a confidential memorandum to Agriculture Committee members this week, their chairman, Sir Henry Plumb, attacks the budget committee for taking unilateral decisions on farm spending and demands that in future, the Agriculture Committee should be represented at its meetings.

The Parliament's campaign to win a place in EEC decision-making thus appears to be in danger of fizzling out in a flurry of in-fighting between its various committees. And the attempt to curb farm spending is likely to be the first casualty.

The old, appointed European Parliament was notoriously susceptible to the arguments of the farm lobby and it now looks as though the new directly-elected one will follow the same path. Part of the problem stems from the highly technical nature of the Common Agricultural Policy, which many Parliamentarians find hard to understand.

But whereas COPA representatives and other farm lobbyists are constantly buttonholing members with explanations and arguments, the commission relies on Mr. Gundelach's impassioned, but highly general, speeches in the chamber and makes little attempt to press its case in the corridors.

Many of the members, including members of the Agriculture Committee, who earlier this week criticised the commission's price proposals, have not yet realised that their criticisms totally contradict their stand on the EEC budget. They admit they do not fully understand the price proposals and complain that the commission has not bothered to make them clear.

Over the next month, the agriculture committee will draw up a report on the proposals and make recommendations to the Parliament on how to vote. It is not yet clear how the major political groups will line up: The Socialists currently favour a price freeze on surplus products, the Christian Democrats are likely to press for price rises and a much lighter milk tax, while the European Democrats (mainly British Conservatives) appear broadly in favour of the proposals.

The final vote is unlikely to affect the real negotiations in the council of ministers. But if the Parliament backs down on the budget fight to appease the farm lobby, many will consider it to have failed in its first major test.

Information starts to flow in Community-wide system

BY JOHN WYLES IN STRASBOURG

THE EEC's first technological step towards a free flow of information between member states, "Euronet Diane," was formally unveiled here yesterday with much fanfare and a few predictable technical gremlins.

Consisting of a specialised telecommunications network—Euronet—and a group of computerised information centres—Diane—the scheme will link by the end of the year 25 computers serving about 150 data bases and data banks in the nine EEC countries.

A subscriber needs to possess only a printer or video terminal and a telephone in order to gain access to these data bases, whose information is mainly bibliographic, and the data banks which contain factual information on a range of subjects from agriculture to politics.

The current state of the technological art means that the cost of using Euronet could be as low as 20 per cent of a normal international telephone call in search of specialised information.

It is claimed, for example, that an average interrogation of a data base would cost between £30 and £40 per hour. The international tariff for Euronet Diane eliminates distance as a factor. Thus the charge covers the amount of data transmitted, the duration of the call and the data base's fee for access.

Euronet Diane employs the so-called electronic packet switching technology which enables the swift passage of many messages along a single electronic circuit.

The system originates from decisions taken in 1971 and has been set up by the European Commission in collaboration with member states' post and telecommunication organisations. During yesterday's ceremonies, Mr. Roy Jenkins, president of the Commission, said he saw Euronet Diane as just a beginning of the task of creating and developing a healthy European information industry. It was a model for what the Community must try to achieve "in the whole complex of information and micro-electronic technologies."

A highlight of the opening proceedings was a country-by-country telephone call between Sig. Vittorio Colombo, Italy's Minister for Posts and Telecommunications, and his counterparts in each member state. Considering the probable difficulties of ensuring that the dignitories were sitting by their telephones at the appointed time, the link-up delays which on a couple of occasions left Sig. Colombo shouting "pronto, pronto" into a telephonic void were no worse than might have been expected.

Dutch split over cuts in spending

By Charles Batchelor in Amsterdam

THE DUTCH Cabinet has been unable to reach agreement on a package of public spending cuts after several days of discussion. As a result, negotiations planned for today with the unions on the level of acceptable wage rises this year have had to be postponed.

The Cabinet is considering cuts of between Fl 2-4bn (£452m - £905m) in public spending as well as restrictions on wage rises to compensate for a slowdown in growth

The unions were angered by the Government's decision last month to freeze wages until March 10. If the unions do not agree voluntarily to hold to limits set by the Government, legislation may be introduced to control wages for the rest of the year.

Commission takes harder line on national grants to industry

BY GILES MERRITT IN BRUSSELS

THE CLASH between the European Commission and the Dutch and Belgian governments over investment grants that Brussels will not permit to be paid to 14 multinational companies has highlighted the delicate question of state aids.

It also raises the issue of whether or not the Brussels Commission plans to apply the Treaty of Rome to the letter to call a halt to EEC member governments' attempts to out-bid one another on grants that attract new industrial investment.

On the subject of state aids, the Treaty is clear enough. The key passage of Article 92, which is the nub of the Commission's powers to veto grants, reads: "... any aid granted by a member state ... in any form whatsoever ... shall be incompatible with the common market."

The point, of course, is that national aids can distort fair competition. But it is the qualifying phrases in the above passage, indicated by dots, that in fact make the Treaty as clear as mud. The "favouring of certain undertakings" and the "production of certain goods" are among the loose phrases that give the Commission major interpretive powers.

Those powers are now being used. It would be an exaggeration to say that this marks a new policy, but it certainly means a stricter application of the rules and an end to the days when member governments were granted virtually automatic derogation from Article 92 for their investment aids.

The Commission is determined that the financial aids by EEC governments should contribute to the development of the Community and help boost employment. At present it fears that they are often little more than bribes to investing industry that, at times of economic recession, risk developing into a beggar-my-neighbour context between member states.

The Netherlands and Belgium are being singled out by the Commission because they make available general aids rather than sectoral or regional grants.

Just what the Commission feels about British aid policies will shortly be disclosed, for a year-long study of UK Government grants by the Brussels competition authorities is nearly complete. The Government's problems with Ulster and North-East England can make the subject a tricky one, but to date the UK aid schemes cleared with the Commission have been modified rather than rejected when problems arise.

Yugoslavia gears for post-Tito period

By Anthony Robinson in Belgrade

YUGOSLAVIA'S Prime Minister, Mr. Veselin Djuranovic, left Belgrade yesterday for talks in East Berlin with his East German counterpart Herr Willi Stoph, as if to underline that Yugoslavia is carrying on as normal despite the deterioration in the health of President Josip Broz Tito.

Diplomats believe that the combination of digestive difficulties, kidney complications and what Tuesday's official bulletin described as "occasional heart weakness," has greatly reduced President Tito's chances of recovery after the amputation of his left leg on January 20.

In effect, Yugoslavia is already living in the post-Tito period. There is an air of quiet confidence in official circles that what is seen as a full-scale dress rehearsal for the succession mechanism has worked well.

A series of foreign trips has been made by leading Government and party figures over the last few days. The most important was the visit of Mr. Milorad Pesic, Deputy Foreign Minister, to Moscow and that of Mr. Alexander Grlickov, chief of the party's international section, who headed a delegation to the West German Social Democratic Party. Closer contact with Social Democratic and Socialist parties are expected to take on greater importance in future

Meanwhile, Mr. Minos Minic, President Tito's chief foreign policy advisor and former Foreign Minister, underlined in an official interview this week that Yugoslavia is able to defend itself from any outside interference.

Internal political developments over the past six weeks have also seen statements from leading politicians, emphasising the need for greater democratisation along the lines mapped out by the party's former chief ideologue, Mr. Edward Kardolj, who died a year ago.

Mr. Kardelj's theories have been resuscitated, principally by Mr. Vladimir Bakaric, the 69-year-old representative for Serbia who is considered to be President Tito's number two. The need for greater democracy and participation is now being talked about as the best way to overcome Yugoslavia's economic and political difficulties.

Economists, however, argue that tougher central control will also be needed if the balance of payments deficit is to be reduced and inflation brought under control.

France performs a delicate balancing act in the Mahgreb

BY DAVID WHITE IN PARIS

Both politically and economically France is trying to show proof of an even-handed policy. During its colonial wars, France was worried by proposals for unifying the Mahgreb, now it could conceive of nothing better.

IF RADIO Tripoli were to be believed, France is close to war in North Africa. After the abortive attempt on January 27 by a group of Libyan-trained Tunisian rebels to storm the southern Tunisian town of Gafsa, Libya's listeners have been hearing of "violent fighting between groups of the Tunisian armed resistance and French and American invasion forces." The radio has also told of the prospect for France of "a new Dien Bien Phu, with thousands of soldiers' bodies exposed to the crows and vultures."

According to the Tunisian President, Mr. Habib Bourguiba, however, France's support for Tunisia amounted to "exactly what I asked for: two aircraft and two helicopters," and was sent after the event.

Said Mr. Robert Galley, France's Minister for Co-operation: "We didn't even send a rifle or a cartridge and everybody gets excited."

But while Libyan radio reports and the threats of Colonel Gaddafy, the country's leader, may be so much hot air, the events at Gafsa have again raised questions about the stability of the south-west Mediterranean region and France's policy in the three Maghreb countries — Morocco, Algeria and Tunisia—where it has close historical links, a special interest and a special role.

French diplomacy in the Maghreb, its most important trading area in the Third World and its starting point in any North-South dialogue, demands a delicate balancing act, in which the key element, and the most problematical, is Algeria.

Both politically and economically, France is trying to show proof of an even-handed policy so as not to increase frictions by taking sides among the three countries, which are former protectorates in the case of Morocco and Tunisia, a former Department of France in the case of Algeria. During its colonial wars, France was worried by proposals for unifying the Maghreb, it could now conceive of nothing better.

Algeria's continued adherence to the principles of non-alignment, anti-imperialism and support for liberation movements puts France in a different position here than in its bailiwick of French-speaking black Africa.

Algiers has been tactfully discreet so far, but President Chadli Benjadid has expressed "Algeria's concern in the face of any foreign presence on its frontiers."

The quiet warning was reminiscent of the pronouncement barely 18 months ago of his predecessor Houari Boumediene: "There is a pool of blood between the French army and us."

French forces are no longer, as they were then, directly entangled in the territorial conflict over the ex-Spanish Western Sahara. Largely as a result, France's relations with the Maghreb are today probably in more even balance than at any time since decolonisation.

With Morocco, France has long had close bilateral links. It is here that it makes its biggest technical and cultural co-operation effort. The French also have important commercial ties and, despite an acceleration in U.S. deliveries, the traditional role as main arms supplier, including the Moroccan air force's 50 Mirage jets.

In the first stages of the Sahara war, when both Morocco and Mauritania were engaged with the Algerian-backed Polisario in their respective halves of the territory, Morocco could claim France as an active ally, since the French sent Jaguar aircraft to protect Mauritania. France, however, has always maintained its neutrality — more convincingly since Mauritania called it quits with the Polisario last year and renounced its claims.

Anxious not to become enmeshed in the Sahara issue again, France has changed its military role for a diplomatic one. It has adopted an intermediary stance, recognising that the problem is one of decolonisation and that a solution will have to come in the framework of international organisations.

Recognition or non-recognition of Sahara independence is no longer placed by Algeria as a major obstacle in any negotiations with France. A reconciliation between Paris and Algiers has been long promised but slow in materialising.

President Giscard d'Estaing's visit to Algiers in 1975 aimed to repair the damage wrought by bitter war memories, the partial nationalisation of French interests in 1971 and President Boumediene's protests about the treatment of Algerians in France. But the Sahara issue intervened and it was not until Mr. Boumediene was flying back from Moscow to his deathbed just over a year ago that he responded with a message in favour of "a new page of history" not just between the two countries but between France and the Maghreb as a whole. "Geography and history condemn France and Algeria to co-operate," he said.

The new Foreign Minister, Mr. Mohamed Benyahia, held talks in Paris last month, again in the pious search for "a new and regenerated climate." The two sides have completed the setting-up of a series of working groups to settle their list of arguments, and have given themselves until the summer to find the basis for agreement.

Trade is one issue. Algerian exports to France plummeted after the 1971 State takeover, and Algeria's complaints about its deficit have got in the way of big French contracts. A number of these have been shelved or delayed.

On the other hand, the trade imbalance will improve as long as the French gas Board continues to increase its purchases in Algeria.

The other main issue is migrants. The problems concern all three countries, but Algeria most of all. Sixty per cent of France's 1.4m Maghreb immigrants are Algerians. Recent clampdowns on renewal of work permits and on clandestine immigration, reinforced deportation powers, and cash incentives to leave have unsettled both the immigrant community and the Maghreb countries, who fear a massive and disorderly return.

Algerians whose work and residence permits were due to expire this year have been given an extra year's renewable card in place of their five or ten years' initial allowance. Algeria is asking for much stronger guarantees for the security of its nationals in France, and compensation for resettling families who are forced or encouraged to go back.

Of the three countries, Tunisia has given France the fewest problems, particularly since the ending of its border dispute with Algeria in 1970 and the cordiality of recent Algerian-Tunisian relations. But Tunisia, like Algeria, is concerned about the imbalance of trade. Most of its foreign trade shortfall stems from the EEC, and the deficit with France alone accounts for half the global figure.

Tunisia badly needs France's support to win special arrangements with the EEC at a time when negotiations are taking place on enlarging the Community. These threaten to cut off its biggest markets for products such as olive oil, staple sources of foreign exchange.

An open conflict between Tunisia and Libya would pose as much of a quandary for France as war between Morocco and Algeria.

French officials said this week that at no stage was direct intervention envisaged in Tunisia, although France undoubtedly has the means. Besides its standing forces on the continent, France has special intervention units in Senegal, Gabon and in the Indian Ocean. These are staffed on a rotating basis from the 11th Parachute Division, based in Pau in southern France, the 9th Marine Infantry Division and the Foreign Legion. Three regiments of parachutists are also being kept prepared for foreign duties in the South of France and Corsica.

The support for Tunisia after the raid on Gafsa was rapid but calculated to be low-key. French warships which sailed from Toulon the day after the attack were later said to be cruising off Crete on a routine manoeuvre. A few days later, four Mirage F1s, refuelled in flight, made their first non-stop flight from Corsica to Djibouti.

Although Paris has pulled its diplomats out of Tripoli after the destruction of its embassy, it has left its commercial and consular staff and is optimistic that the minor crisis is past its peak. Supplies of spare parts for arms sold to Libya were already stopped in part last year because of late payment. The first of 10 French gunboats is due for delivery this year.

France does not want to make things worse in other problem areas where it has crossed swords with Libya, for instance in Chad, where the withdrawal of 1,200 French troops is overdue.

France wants at all costs to forestall a conflict in the region in which the superpowers could become involved. It is perhaps here more than anywhere in the Third World that French diplomatic subtlety, which has so angered Western allies over Afghanistan, comes into its own.

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Rhodesia's 20 white MPs could play power-broking role

Ian Smith: former Prime Minister and still a hero to *many of his countrymen* though nthers are less certain.

BY BRIDGET BLOOM, AFRICA EDITOR IN SALISBURY

SOME 30,000 white voters go to the polls in Rhodesia today in what seems like an irrelevant sideshow beside the Increasingly violent struggle for power between the black parties.

The whites bave tumhled from their nnce impregnable power. They will have 20 seats out of 100 in the new Zimbabwe assembly, and although that is 20 more than the Patriotic Front alliance at Lancaster House wanted tn give them, all tbeir "blocking powers" have gone.

In the sense that the outcome of today's poll is almost a foregone conclusion, the white election is irrelevant. The Rhodesian Front, led by Mr. Ian Smith, the former Prime Minister, is unopposed in 14 of the 20 constituencies.

In only twn nf the six which are contesled do the independent candidates stand any chance of coming close to the Rhodesian Front nominees.

Yet despite the profound changes in their *political position* in two years, and putting aside for a moment their undoubted power in the army and influence through the civtl service and business, the whites could still play a critical role *in parliamentary terms.*

The Lancaster House constitution prevents the white MPs from forming a coalition with a single minority black party. But it does not stop them forming a Government wilh the largest African party, even if that party bas won fewer seats than the nther black parties combined. Neither are the whites prevented from forming a coalition with a group of minority African parties.

In theory at least, the 20 white members could combine with Bishop Abel Muzorewa's United African National Council—provided he had one more seat than Mr. Robert Mugabe—to frustrate the formation of a coalition between Mr. Mugabe and Mr. Joshua Nknmn. There *is* a more realistic possibility that the whites would join the Bishop in coalition with Mr. Nkomo and others, to keep Mr. Mugabe out.

Whatever happens—and there is endless and for the time being fruitless speculation about whom the Governor might call on to he Prime Minister after lhe black election—an anti-Mugabe coalition is the hope of the vast majority of whites.

Immediately after the Lancaster House conference, the mood was a little euphoric, as sanctions were removed and the country, albeit under a British Governor, was released from its pariah status.

But morale bas taken a nose-dive since the hlack campaign began in earuest and it began to dawn on people that Mr. Mugabe might win a lot of seats. Study of his ZANU (PF) party may reveal that is more likely to introduce old-style "African Socialist" policies than Marxism, but for whites Mugabe remains the Marxist bogeyman against whom they can unite.

It is this principally which has enabled the Rhodesian Front to paper over its differences, which are prohahly more bitter than they have ever been. The split in the party has centred, following Lancaster House, on Ian Smith's continued leadership. Given the adulation and loyalty which the former Prime Minister once inspired, it is astooishing to hear him called, albeit in private "pigheaded, vain and dishooest" by former close colleagues.

It is claimed that half of the preseot Rhodesian Front candidates helieve that Mr. Smith is out of touch with realities aod should go, though efforts to persuade Mr. David Smith, the former Finance Minister, to challenge him or to lead a oew party have failed. "There was no time to form a new party" said one informant "and if we had tried, Ian Smith would have got the sympathy vote of the women and those others who persist in thinking he's dooe marvellously by this country."

For now, the Rhodesian Frout will remain together. But the differences could surface in the new Parliament whether or not Mr. Mugabe forms part of the new Government. Those challenging Ian Smith could prove more amenable to African aspirations and would seek compromise rather than confrontation with the new Government.

But that is for the uncertain future. Another form of crystal-gazing has taken place at some white election meetings where there has been dark talk of "contingency plans" and even military coups in the event of "things getting out nf hand."

The talk of Marxist dangers reached an emotional level at a meeting attended by Ian Smith on Monday when he was asked whether, "If Marxists came to power," he envisaged a military coup. "Let's wait and see," was the answer. A young man on crutches, who said he was a *serviceman*, said a *coup* could not be discounted. "We're still here and we're prepared to fight."

He got what was probably the biggest ovation nf the whole white campaign. But it was the hard-line right-winger who said afterwards: "And if we did? We'd only be back to square one."

It may be a bitter moment for them, but he, and not the soldier, probably speaks for the key white echelons in the army, and elsewhere.

Why Mrs. Gandhi takes a cool view of Afghanistan

BY OUR NEW DELHI CORRESPONDENT

THE SOVIET UNION is unlikely to despatch any more troops to Afghanistan for the moment, but this was apparently the only assurance held nut to Iodian leaders by Mr. Andrei Gromyko, the Soviet Foreign Minister, in two days of talks which ended yesterday.

An Indian Foreign Office spokesman paried questions on possible withdrawal of Soviet forces already stationed in Afghanistan, and it appears that there may not even be a token witbdrawal as earlier suggested.

Chris Sherwell adds: Mr. Gromyko's visit tn New Delhi nffered the Soviet leadership its first opportunity for face-to-face talks with the new Government of Mrs. Gandhi, as well as to explain its interveotion in Afghanistan.

Mrs. Gandhi remains opposed to tbe Snviet troop presence in Afghanistan, but is also cnncerned about the military and economic support now being planned for Pakistan's oilitary regime, and about Pakistan's own role in the continuing internal revolt by Moslem rebels in Afghanistan.

Anti-Moscow feeling in New Delhi is also tempered by India's strong links with the Soviet Union. These are illustrated most clearly in the 15-year Indo-Soviet treaty of friendship and co-operation signed in 1971.

When Mrs. Gandhi lost power in the 1977 elections tu Mr. Morarji Desai and the Janata Party, the new talk of a policy of "genuine non-alignment" sparked fears in Moscow that its long-standing ties wltb India would be eroded.

In fact Janata managed to improve India's relations with western countries without losing its now-traditinnal superpower *ally* to the North. The Soviet Union also benefited from the failure of the Desai Government's attempted raprochemeot with Peking, which foundered when Cbina invaded Vietnam in early 1979.

As a result friendship with the Soviet Union remains a cornerstone of India's foreign policy, despite persistent atempts by the U.S. to win support from the region's strongest power. The consequences are to he seen in crucial fields like defence, space, nuclear power and heavy industry.

The Indian air force, for example, is to be modernised under a new collaboration agreement with the Soviet Uninn announced last October. In the early 1980s India is due tn acquire AN-32 medium transport aircraft and MI-8 helicopters. The prospect Is also held out that India will start manufacturing the MiG-23 aircraft.

India is already building the *MiG-21* and an advanced version of the MiG-21 at three Soviet-aided plants. But the Soviet Uoion has not acceded to the India request for MiG-25s, and the £1bn Jaguar deal announced in 1978 with British Aerospace represents an attempt to diversify India's sources of military supplies.

This diversification was *further* highlighted last November when India signed an £85m deal to buy the Harrier aircraft from Britain for its only aircraft carrier, the Vikrant.

An Indian team visited Moscow last September to look at cruisers and high speed corvettes, and the navy already receives submarines and frigates from the Soviet Union.

The Indian army is similarly supplied by the Soviet Union, but there is some diversification with Britain trying last year to sell the 40-30 tank—a successor to the Chieflain — in competition with the Russian T-72. An informal defence agreement with France last year covered tanks and artillery.

Although India's space programme is ostensibly for peaceful purposes, it is widely acknowledged tn bave potential military applications, and the Sovict Union has given assistance. India's first satellite, lauocbed in April 1975, was put up on a Soviet bonster rocket.

In the ouclear field, too, the Soviet Union has shown it is ready to help. Last year Mnscow agreed to supply India with 250 tons of heavy water for India's nuclear programme. Last March talks on nuclear collaboration with the Soviet Union focused on the idea of a 1,200MW reactor—the biggest in Asia.

On the broader industrial front the Soviet Union is belping India to improve the capacity of its two Soviet steel plants at Bokaro and Bhilai. Technical and financial assistance will also be given in building a third Soviet steel plant at Vishakapatnam and a new 800,000-toone alumina plant.

With such large-scale assistance it is hardly surprising that the Soviel Union has become India's largest and most important trading partner. The value of trade between the two countries has soared from Rs 17m in 1953 to over Rs 10,000m ($1.2bn) last year.

For India the attraction nf the Soviet Union is its reliability. Officials speak of Moscow standing hy its frieods through thick and thin, a compliment which has acquired added weight in the past two years and is supported by the example of the Janata period of Government. When New Delhi turned tn Washiogton and especially to Peking, Moscow tried all the more assiduously to cultivate its existing ties.

But there have been undeniable setbacks for the Soviet Union hecause of India's rigid determination tn remain non-aligned and detached from super-power conflicts.

India under Mr. Desai refused last year to recognise the Heng Samrin Government in Phnom Penh despite Soviet exhortations, just as this year under Mrs. Gandhi it refuses to condone the Sovlet presence io Afghanistan.

S. African company plans own oil-from-coal plant

BY BERNARD SIMON IN JOHANNESBURG

PLANS TO build South Africa's fourth oil-from-coal plant have reached an advanced stage, accnrding to General Mining, the country's second largest mining house. The coal depnsits nn which the plant would be based lie north of Pretoria and may also be used for the extraction of large quantities of uranium, alumina, potassium and a small amount of molybdenum.

A final decision on the synthetic fuel project, worth several hundred million pounds, will probably be taken within the next 12-18 months. General Mining says the coal is highly reactive in chemical processes and suitable for a wide variety of potential uses.

The plant would use a direct liquefaction process to produce the synthetic fuel, eleminating the gasification stage, used by Sasol, the state-controlled company which runs South Africa's single operating oil-from-coal plant and is building two others.

Tests so far indicate that the fuel will prnbably yield more diesel than petrol. The Sasol process produces about twice as much petrol as diesel. Supplies of diesel in South Africa are scarce.

The project is heing developed with the help of overseas technology. General Mining refuses to give details of its origins, but says some laboratory tests have been done in West Germany.

General Mining also refuses to give details of the eventual size or cost of the project. Its chairman says the coal reserves are adequate to support operations "on a large scale." Press reports indicate that the project may cost around R1,000m (£530m).

The uranium-hearing deposits are much smaller than total coal reserves, but the company says they are large enough to be a signlficaut addition to national reserves.

China appoints overlord for engineering industry

BY TONY WALKER IN PEKING

A NEW COMMISSION with the enormous task of overseeing China's sprawling *engineering* inriustry is to be beaded by Mr. Bo Yibo, one *of* the first victims of the Cultural Revolution. The Standing Committee of the National Penple's Congress has announced Mr. Bo's appointment at the end of a week-long meeting.

The Machine-Building Industry Commission, as it is known, will he responsible for 8 divisions of Chinese industry concerned with the production of such items as power machinery and rolling stock, armaments, military-related nuclear equipment, ships, aircraft and guided missiles.

Mr. Bo was branded a "big renegade and counter-revolutionary revisionist" in June 1966 and disappeared from view until last year wben he was rehabilitated and appointed a Vice Premier. During the 1950s and 1960s he was considered one of China's foremost economic planners.

£½m fund for West Bank land

By David Lennon in Jersualem

ISRAEL yesterday allocated I£50m (£570,000) for the purchase nf private Arab land on the occupied West Bank of the Jordan. Mr. Ariel Sharon, Minister in charge of settlements, said the land would be used for building new Jewish settlements and disbanding existing ones.

Tbe Mioister told the Knesset finance committee, which approved tbe allocation, that Israel bad bought 75 acres of privately owned land on the West Bank in the past year. Nearly half had been purchased for the settlement of Eilon Moreh, which bas since been dismantled by court order.

The Minister also complained to the committee members tbat because of recent publicity given to Israel's surreptitinus land purchases, Arab farmers and landowners were scared to sell and prices bad shot up.

Since occupying the West Bank ln 1967, Israel bas quietly bought thousands of acres, not all of which is registered in the name of tbe Israeli purchaser because of the seller's fears of reprisals. Under Jordanian law, it is a capital offence to sell West Bank land to Israelis.

Meanwhile, the Israeli military government bas ordered the seizure nf 250 acres of land north of Jerusalem, *for a new* settlement, Levona. The Palestinian villagers whose land is being taken, say it is privately owned and are considering an appeal to the High Court.

Warning for Lebanese factions

By Roger Matthews in Damascus

A LEBANESE delegation headed by Mr. Selim al-Hoss, the Prime Minister, held crisis talks in Damascus yesterday on the decision by Syria to withdraw nr regroup its peacekeeping forces in Beirut.

Most factions in Lebanon predict a dangerous escalation of fighting should the Syrian troops pull back from the "green line," which separates the Palestinian and left-wing Moslem forces in west Beirut from the right-wing Christian militias in the East.

Only hours before the start of yesterday's talks Mr. Ahmed Iskandar Ahmed, Syria's Minister of Information, insisted that the decision to pull back from positions in Beirut was irrevocable

He said Syria would not permit the outbreak of another civil war in Lebanon, but neither would it continue acting just as a policeman. The Lebanese Government and the different factions had to accept their responsibilities

Among issues discussed yesterday were the composition of the 22,000-strong Lebanese army, the relationship of the right-wing Christian militias with Israel, and the alleged hacking given by the Lebanese right-wing to the extremist Moslem Brotherhood which is accused nf trying to stir up sectarian strife within Syria.

AMERICAN NEWS

Trudeau pledges to curb foreign role in economy

BY VICTOR MACKIE IN OTTAWA

A NEW Liberal Government would greatly increase government participation in Canadian economy, and cut back the role of foreign companies, Mr. Pierre Trudeau, the Liberal Party leader, said in an election campaign speech on Tuesday night.

He told a Toronto audience that his party would review the performance of foreign-controlled multinationals to make sure they were doing eoough for Canada and Canadians.

Mr. Trudeau said that the Liberals would "ensure that the federal Government becomes an active player in industrial development, rather than just a passive referee."

A Liberal Government would also use its purchasing powar to steer contracts to Canadian firms, and would direct Crown corporations to do the same.

He said a Liberal Government would pursue five policies to boost tha economy:

- It would give "government-backed loans" to the Foreign Investment Review Agency to help provide assistance to Canadian companies which want to compete for foreign take-overs or repatriate foreign ownersbip of assets;
- It would create a puhlicly-owned National Trading Company to assist Canadian companies to expand sales abroad;
- It would give the Canada Development Corporation, which is both publicly and privately owned, a bigger role in industrial development, along the lines of Petro-Canada's role in energy;
- It would build, with Petro-Canada leading the way, the first all-Canadian Alberta oil sands plant;
- Finally, it would use Ottawa's trade and commerce powers under the constitution and the banking laws to eliminate proliferating inter-provincial barriers to movement of capital and labour.

Mr. Pierre Trudean

Brazil bid to curb interest rates

By Diana Smith in Brasilia

SR. DELFIM NETTO, Brazil's Planning Minister, has asked private bankers to hold lending rates to present levels for the next four months, as part of tha fight against inflation.

Interest for private horrowers is now running at about 48 per cent a year, while business loans run at about 39 per cent a year.

"Even if yon must go into the red," Sr. Netto told the bankers at a meeting this week, "we ask you to help the Government to bring inflation down to 45 per cent this year." In 1979, inflation reached 77.2 per cent.

Although the banking community has committed itself verbally to trying to hold rates down, it is not over-enthusiastic abont the restraint.

Sr. Netto has hinted, however, that if voluntary restraint is not forthcoming, the banks might he forced to comply

LATIN AMERICAN RESERVES BULGE

Pandolfi goes on SDR selling tour

BY DAVID MARSH

THERE IS more than a touch of incongruity about the mission to Latin America next month by Sig. Filippo Maria Pandolfi, the Italian Treasury Minister who is currently chairman of the International Monetary Fund's interim committee.

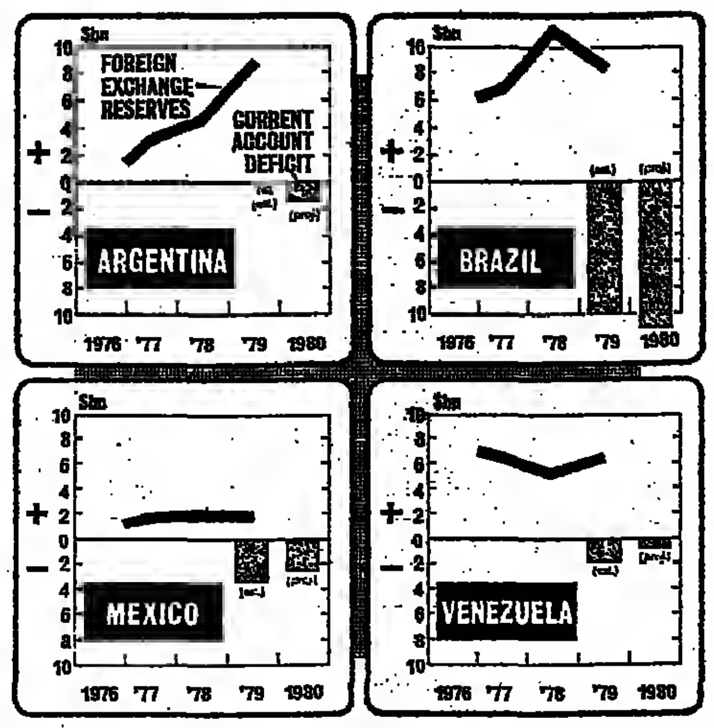
In an area whare IMF delegations normally arrive bearing loan packages for hard-pressed governments, the Fund this time is itself seeking pledges of hard cash in support of a potentially far-reaching scheme for international monetary reform.

Sig. Pandolfi will be visiting Mexico, Veneznela, Brazil and Argentina in an attempt to win support for the IMF's plan to set up a substitntion account to reduce the oversupply of dollars in world reserves. Under the scheme, which the Fund hopes to have in place by the end of this year or early in 1981, central banks will be asked to exchange part of their dollar holdings for IMF-issued assets denominated in the Fund's multiple currency unit, the Special Drawing Right.

Sig. Pandolfi will probably extend bis travels to Saudi Arabia and the Gulf over the next month or so to promote the plan among the Middle East oil exporters. Unless he wins promises of support from the developing world, the idea is nnlikely to get off tha ground when it comes up for approval at the next meeting of the interim committee in Hamburg in April.

The IMF's courtship of Latin America over the substitution account provides clear evidence of the shift in the balance of world financial power that has taken placa over the last decade.

Since the mid 1970s the foreign exchange reserves of the Latin American group have shown a dramatic increase of a similar order of magnitude to the pnblished growth of reserves in the Middle East. Both Brazil and Argentina, for instance, are now among the world's top 10 foreign exchanga holders.



In contrast to the Middle East, the rise has generally not reflected the build-up of current account surpluses but has largely been the prodnct of heavy borrowing—particularly In the case of Brazil—on the international capital markets. Mnch of this borrowing has been in excess of immediate requirements, and bas been redeposited on the Euromarkets.

All four of tbe countries on Sig. Pandolfi's itinerary—including Venezuela and Mexico, Latin America's two largest oil producers—are expected to run current accounts deficits this year, but will probably be borrowing more than enough to maintain a stable level of reserves.

With the increase in reserves bas risen the power of these countries to influence western foreign exchange markets by switching currency holdings ont of dollars. The main aim of the substitution account is to prevent such potential disruption by offering reserve holders a smooth mechanism to exchange dollars for the multi-currency SDR.

All the major Latin American countries bave a clear interest in diversification. Although the bulk of their reserves is held in dollars, a growing amount—prohably varying hetween 10 and 25 per cent—has been diverted into currencies such as the Deutsche Mark, yen and Swiss franc. In part, this bas been the natural consequence of growing trade and financial links with Europe and Japan. It has also, however, been a hedge against the declining value of the dollar.

Both the U.S. and the IMF—as well as Germany, which is particularly averse to further growth in the reserve role of tha D-Mark—are uneasily aware that such diversification could continne unless confidence in the dollar is maintained.

None of the countries, however, is likely to be particularly enthusiastic about swapping dollars for SDR assets. The new units to be offered by the IMF will not be as liquid as many central banks would prefer, especially in countries like Brazil, with large foreign debts. Important questions on the interest rate and capital backing still have to be resolved.

Many countries would no doubt prefer to carry on using the anonymous services of the Euromarket — where large amounts of their reserves are deposited—to carry out diversification of reserves, rather than bnreaucratic devices invented by the IMF.

Nonetheless, Sig. Pandolfi is unlikely to get the hrush-off. Both Mexico and Argentina have very recent memories of co-operation with the Fund in 1976-77, when they borrowed large amounts from the IMF to tide them over balance-of-payments crises.

Brazil, which needs to borrow $12bn to $15bn ahroad this year, will on the face of it be more reluctant than anyone else to pledge reserves to the IMF scheme. But at a time when Brazil itself is almost certainly considering raising a large loan from the Fund, the Brazilian authorities will not want to offend the IMF by refusing to have anything to do with the proposal.

The IMF is hoping for total initial subscriptions to the SDR account of about $20bn. Sig. Pandolfi will probahly be happy if, through a mixture of politeness and psychology, be can get about $2bn from Latin America (roughly corresponding to the area's share of world reserves), with tbe rest coming equally from tbe Middle East and the industrialised West.

Reagan to debate with Bush

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

IN A TACIT acknowledgmant that he is no longer assured of the Republican Party'a presidential nomination, Mr. Ronald Reagan has agreed to a public debate in New Hampshire with Mr. George Busb, currently his chief rival, just three days before that state holds the first official primary election on Saturday week.

Mr. Bush's surprise victory in last month's Iowa party caucuses and the evidence of polls showing him running strongly throughout New England had previously persuaded the former Governor of California to agree to take part in a candidates' forum in Manchester, New Hampshire, next Wednesday.

But in confronting Mr. Bush directly, Mr. Reagan is clearly raising the stakes in the campaign. The tougher line he has been espousing recently will undoubtedly be given full airing as he seeks to portray his opponent as a closet liberal without true conservative credentials.

Mr. Reagan will be campaigning almost constantly in New Hampshire for the next two weeks and ha has the enthusiastic backing of the Manchester Union Leader, run by perhaps the most controversial publisher in the nation, the arch-conservative Mr. William Loeb.

The newspaper seems to have made it a personal mission to destroy Mr. Bush. This might seem a laughahle goal, but it has to be remembered that in 1972 Senator Edmund Muskie, then the Democratic front runner, was finally goaded by Mr. Loeb's insults into breaking down and weeping in the snows of Manchester

Meanwhila, on the democratic side, the sharpness of Senator Edward Kennedy's rhetoric increases daily. Apparently bolstered by the fact that his loss to President Carter in the Maine caucuses was less than be had feared and some of the President's advisers had hoped, he ls charging that tha president's foreign policy "has collapsed around bim" and that this failure bad brought the country to the brink of war.

Mexico raises interest on deposits

By William Chislett in Mexico City

MEXICAN BANKS will raise interest rates paid on long-term deposits as of tomorrow. The Banco de Mexico, the central bank, made the decision in an effort to stimulate greater savings and increase credit to the fast expanding private and public sectors.

High inflation is making the interest rates unattractive, and has led in recent months to more growth in dollar - denominated bank deposits, a feature which developed after the 45 per cent devaluation of the peso in 1976.

Finance plan for Alaska pipeline

BY DAVID LASCELLES IN NEW YORK

A WHOLLY new approach to financing the $15hn Alaska gas pipeline appears to have been adopted by the U.S. Government in order to get it built as soon as possible.

The pipeline, which has President Jimmy Carter's blessing, will carry gas from Alaska's North Sloe oil fields. It will he the largest civil engineering project ever undertaken in tha U.S., and as sucb is a vital component of the U.S.'s energy future.

The Department of Energy confirmed yesterday that it had proposed to the three large oil companies which own most of the gas in tbe North Slope that they finance a large part of the project in return for a share in the equity.

This marks a major shift from the previous official position, which specifically excluded the producers from taking a share in the equity, largely on anti-trust grounds. A department official confirmed yesterday that, if this plan is accepted, the Alaska Pipeline Law would also have to he changed.

The three companies, Exxon, Atlantic Richfield and Standard Oil of Ohio (Sohio), have been asked to put up $11bn to cover the cost of building a gas conditioning plant and the Alaskan part of tbe pipeline. (Most of the other parts already exist, or will be built by Canada.) They would also bave to set aside $5bn for cost overruns.

In return, they would bave a degree of managerial control over the pipeline. Bnt the Government intends to limit their power by retaining the right to nominate enough peopla to the pipeline company's board of directors to get its way. The Government would also guarantee cost over-runs beyond the oil companies' commitment.

The oil companies said yesterday they were studying the proposal's details, and would hava no comment for several days. Previously, they have shown interest in participating in the pipeline, so long as they had some control.

There was no commant either from Northwest Energy, leader of the consortium of equipment makers and consumers which want to build the pipeline. In the past Northwest bas favoured oil company participation, although not necessarily in the form proposed by the Energy Department.

Gas find excites Wall St.

BY OUR NEW YORK STAFF

THE possibility that in important gas find bas been made in Wyoming is exciting Wall Street.

Standard Oil (Indiana) reported late on Tuesday night that an exploratory well in the so-called overthrust belt had sbown a good flow, though it cautioned that further testing would be necessary before a final determination could be made.

The well produced gas at the rate of 8.5m cubic feet a day through a ¾ inch opening at a depth of just over 15,000 feet. The discovery is potentially significant because it lies between two other good fields and suggests that all three wells could bave entered one enormous gasfield.

The overthrust belt is a geological formation which runs through a large area of the Mid-eWst. However, oil companies have been concentrating on an area in and around southwest Wyoming, where several finds have already been made.

Reports of the Standard Indiana find first trickled out last week and sent shares in companies with interests in the area soaring.

Mr. John Swearingen, in an interview with Dow Jones on Tuesday, described the overthrust belt as in the "early" stages of development, but added: "Our view is there are still opportunities to find substantial oil and gas in the overthrust belt, and there's always a chance of finding an elephant (a giant field)."

Oil company ready to build shale plant

By Ray Dafter, Energy Editor

ATLANTIC RICHFIELD is ready to start hnilding a U.S. plant to extract oil from oil shale, Mr. Thornton Bradshaw, the corporation's president, said at a Royal Institute of International Affaira lunch in London yesterday.

A plant to produce 50,000 barrels of oil a day would cost $1.5bn to $2bn over three years, although the company might opt for a smaller operation, he aaid.

First, however, legislation was needed to provida a financial "safety net" for companies like Atlantic Richfield which were taking risks in developing alternative energy sources.

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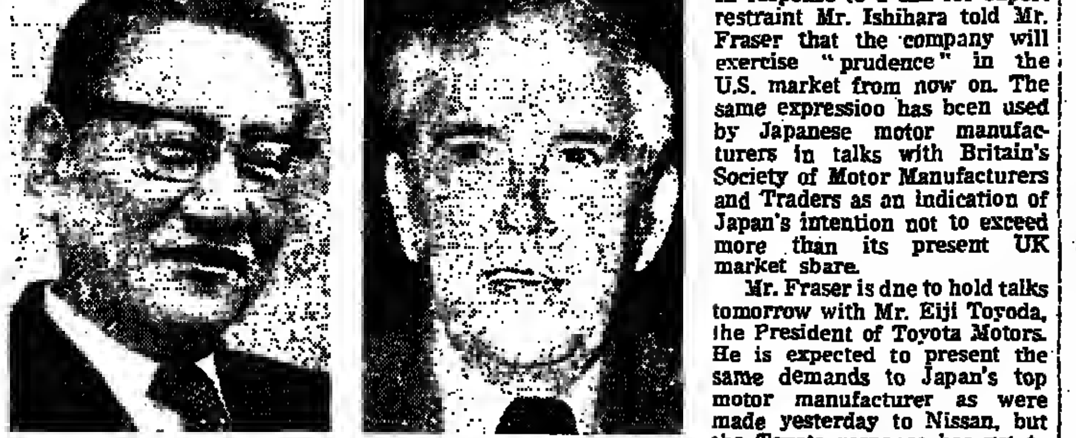
Nissan resists call for U.S. plant

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

NISSAN MOTORS Japan's number two car manufacturer, is not now planning to build passenger cars in the U.S. and has no intention of being burried into a decision on the matter.

This was indicated yesterday by Nissan executives after a meeting between the Nissan president, Mr. T. Isbihara, and Mr. Douglas Fraser the Presideot of the United Auto Workers union, at which Nissan was strongly urged to bnild an American car plant. Mr. Fraser described the meeting with Nissan as "unsatisfactory and disappointing." He was less emphatic about a similar session with executives of Mitsubishi Motor Corporation, apparently because of Mitsubishi's relationship with the Chrysler Corporation.



Mr. Takashi Ishihara, President of Nissan, and Mr. Doug Fraser, president of the U.S. United Auto Workers' union.

Nissan's coolness towards the idea of a U.S. car manufacturing plant is based on calculations of profitability and on its assessmeot of future market prospects. The company says oone of the seven passenger car models it now sells In the U.S. is being shipped in sufficient numbers tn justify local manufacture. The top selling model, the Datsun 210, averaged 15,000 units per month last year.

In future Nissan believes its competitive strength in the U.S. market may deteriorate. It expects this to happen as the result of stronger performance by the U.S. motor industry in the small car market where American manufacturers are now weak. Nissan does have plans, which sbould mature before long, to assemble and subsequently manufacture pick up trucks in the U.S. But the company emphasises that there is no current intention of extending the truck operation to include passenger cars.

Nissan'a sales of passenger cars in the U.S. grew by 39 per cent last year, but the company claims this was abnormal. In response to a call for export restraint Mr. Ishihara told Mr. Fraser that the company will exercise "prudence" in the U.S. market from now on. The same expressioo has bcen used by Japanese motor manufacturers in talks with Britain's Society of Motor Manufacturers and Traders as an indication of Japan's intention not to exceed more than its present UK market sbare.

Mr. Fraser is dne to hold talks tomorrow with Mr. Eiji Toyoda, the President of Toyota Motors. He is expected to present the same demands to Japan's top motor manufacturer as were made yesterday to Nissan, but the Toyota response has yet to be revealed.

Toyota, as of now, has lagged even behind Nissan in announcing plans for assembly or manofacture of trucks In the U.S. Tbe company is tightlipped on this as well as on the possibility that it might move into car assembly. It bad averaged sales of more than 20,000 passenger units per montb last year—somewhat above the estimated break even level for profitable local manufacture.

Washington rules against Japan ovens

By David Buchan in Washington

IMPORTS from Japan of mierowave ovens and certain types of electric motors havo injured U.S. producers of the same products, the U.S. International Trade Commissinn (ITC) has ruled.

Under new accords, contained in the General Agreement on Tariffs and Trade (GATT), the U.S. has to prove domestic injury to its industry before any anti-dumping action can be taken, and the finding by the ITC, a quasi-independent Government ageney, now goes to the Commeree Department for investigatinns as to wbether the imports were sold at unfairly low prices.

The Japanese oven imports totalled $149m last year, while the heavy electric mntors were nnly some $18m. Congress, in passing the GATT agreements, has also required the administration to speed up its consideration of trade complaints. So far nnly a few U.S. companies have made use of this tighter timetable, though an array of steel dumping suits is said to be in preparation.

At the same time, the ITC bas ruled Japanese and Italian imports of passenger railway cars is not damaging U.S. manufacturers, noting that the carriages under these contracts have not yet been delivered to the cities of Cleveland, Philadelphia and Washington, and that they are, in any case, to contain U.S. parts.

Agencies add: The ITC also ruled in four separate anti-dumping act cases that imports of liquid caustic soda from Britain, West Germany, France and Italy were not injuring domestic producers. The imports from all four countries totalled abont $9.3m in 1978, the ITC said.

The ITC panel also allowed the Valve Manufacturers Associatinn (VMA) to withdraw two complaints that had charged the Japanese and Italian Governments with subsidising exports of valves, taps and similar devices to the U.S. market, ITC officials said the petitioners apparently concluded that it would be difficult to prove that these imports have caused "material injury" to the domestic industry.

The ITC now has 20 investigations under way. Among these are nine separate investigations on exports of dextrine and corn starches with the nine countries of the EEC.

Iran cuts Soviet gas supplies

BY SIMON HENDERSON IN TEHRAN

IRAN has reduced its gas exports to the Soviet Union to a level jnst 15 per cent of what was contracted for under the Shah, according to Mr. Ali Akhbar Moinfar, the Oil Minister.

At the same time, Iran, which has the world's second largest gas reserves after Russia, is now asking for a price five times the previous one, Mr. Moinfar said in Tehran yesterday.

The figure he stated of $3.80 per 1,000 cubic feet is even more than the $3.50 mentioned a month ago. The present price is 76 cents per 1,000 cubic feet and Iran has been trying to renegotiate this since the revolution.

Mr. Moinfar said exports had fallen because of tbe decline in prodnction after the revolution and the increased domestic demand for gas. Apart from a tough negotiating posture, some sources indicate that an extra factor has been winter rain in the normally desert. nil-rich Khuzestan Province which may have reduced gas exports temporarily to zero in the last few days because of damage to the pipeline.

Mr. Moinfar bas denied that the expensive floods bave disrupted oil production, currently estimated at 3m barrels a day, of which 2m goes for export. But even diminished gas supplies—an associated product of oil production—will mean inconvenience for the southern Soviet Republic of Armenia, Azerbaijan and Georgia.

The floods, being seasonal, at worst will only cause damage which Iranian engineers have tackled in previous years.

It is not clear from Mr. Moinfar's comments whether Iran will build up gas supplies to the Soviet Union back towards the contract level of 28m cubic metres per day. Plans to build a second gas pipeline to the Soviet Union, involving a swap arrangement with Russian gas going to Western Europe were cancelled soon after last year's revolution.

R-R wins £10m share of U.S. airline order

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ROLLS-ROYCE will get a £10m share of an additional order for two Boeing 757 short-range jet airliners from Eastern Airlines of the U.S., using the Dash 535 version of the RB-211 eogine.

The order, announced in Derby yesterday, raises Eastern Airlines orders for the 757 airliner to 23 aircraft on firm contract with another 24 on option. Britisb Airways is also buying 19 of the 757s, with another 18 on option, also using the 535 engine.

Total orders for this new Rolls-Royce engine now amounts to over 180 units, inclnding spares worth over £400m. The company is ncgotiating with other airlines world wide and further orders are expected to be announced during the coming year. Each 757 aircraft uses two of the 535 engines.

Rolls-Royce said yesterday that the 535 engine is now ahead of scbednle in its development programme. After the engineering disputes last year the programme fell about eigbt weeks behind schedule but management and workers at the company's acro division at Derby put in a major effort, inclnding working over the Christmas boliday. Tbe delays have now been more than mnde good and Rolls-Royce intends to stay ahead of schedule througb this year's intensive development programme.

Rolls-Royce is scheduled to deliver its first set nf production engines to Boeing in Seattle in September next year. The company expects to do better than this however and bave the first engines available by next July.

So far, six engines have been built for development work and over 700 hous of test bed running have been achieved. By the time the first engines are delivered the programme will bave achieved over 3,000 bours of test bed running.

After its own period of fligbt testing, Boeing plans to deliver tbe first 757 airliners to botb Eastern and British Airways in early 1983.

● Mexicana Airlines has ordered three DC-10-15 jets from McDonnell Douglas, Reuter reports from San Francisco.

Changes in ECGD bank scheme

By Margaret Hughes

THE NEW arrangements on fixed rate export finance announced yesterday by Mr. Cecil Parkinson, Minister for Trade, involved two major changes. On one hand, it brings to an end the Export Credits Guarantee Department's refinancing role and on the other considerably widens the eligibility to participate in export credits.

The ending of the refinancing scheme, Mr. Parkinson claimed, will yield "significant savings in public expenditure in future years." In fact, the refinancing burden on public expenditure has been eased considerably over the past four years so that the ECGD at present refinances only sterling lending over five years.

The ECGD was not able to quantify the likely savings in public expenditure. But for the financial year to March 31, 1979 the amount it refinanced was about £37m at most.

Existing business will still however be refinanced so that it will take some years for the full benefit to public expenditure to be realised. At December 31, 1979 the amount nf refinanced sterling advances outstanding was £1.7bn. At the same time the interest rate subsidy will continue. In the current financial year, this is expected to amount to some £300m.

While the end of Government refinancing takes ECGD out of the "banking" side of export finance, the other change widens the business far beyond the straight banking system. In future all banks recognised under the 1971 Banking Act will be able to act as sole lenders or leaders of syndicates as well as participate. This means that for the first time branches of foreign banks in London will be eligible.

Leyland wins £10m order from Uganda

By John Worrall in Nairobi

LEYLAND KENYA has negotiated a £10.6m order with the Uganda Government for buses, trucks and Land Rovers.

Leyland is to supply 150 truck engines, cabs and chassis, 20 six-wbeel Land Rovers, 80 fnur-wheel Boxers and 50 four-wbeel Clydesdales. Tbey are also delivering 140 kits in knock-down form for Clydesdale single deck buses.

The bodies are to be made at the Leyland assembly plant in Nairobi, and are to be built by Leyland-Albion in Uganda.

The BL factory at Solihull is to supply 450 Land Rovers, 400 as long wheelbase vebicles, and the rest as ambulances.

Renault in £275m Portugal deal

BY JIMMY BURNS IN LISBON

THE PORTUGUESE Covernment yesterday signed a final agreement with Renault for a Escudos 30bn (£275m) expansion programme in which the French car manufacturer will bave a 70 per cent stake. This is the largest foreign investment ever in Portugal, and the biggest industrial project to have been approved here since the 1974 revolution.

The main elements of the agreement are:

● Renault will step up its assembly of R4, 5 and 12 cars from 10,000 units a year to 80,000 units a year by 1987 at a reconverted plant in Setubal, near Lisbon.

● Production of engines for the R5 will be stepped up to include the manufacture of 220,000 units by 1987, mainly for export at a reconverted plant in Cacia near Oporto. The plant will also produce gearboxes and rear axles.

● The building of a new foundry and the reconversion of Renault's assembly plant In Goarda to implement the manufacture of engines and plants.

● The creation of an estimated 13,000 new jobs, 7,000 of these in subsidiary industries.

Local participation in manufacturing at the assembly plant will be Increased from 20 to 60 per cent and there will be an 80 per cent local content in engine production.

In addition to tax deductions envisaged fnr priority investments under existing Portuguese legislation, the agreement includes a number of generous incentives through which Renault is expected to increase its share of the Portuguese market from 10 per cent to more than 30 per cent.

The Government bas agreed to a grant nf Es 473m which will be used by Renault to cover costs of technical training locally. Portugal has also agreed to compensate Renault if domestic car sales drop by more than 8 per cent of the original projections agreed to by the Portuguese Government and Renault. This is that total domestic car sales will increase from 45,000 to 60,000 by 1984.

VW-Peru talks advance

BY ROGER BOYES IN BONN

VOLKSWAGEN, the West German motor manufacturer, bas concluded its negotiations with Peru on the local assembly of Passat-class cars and medium sized 5-6.5 ton trucks.

A VW official said yesterday that Herr Hans Dieter Wiederbold, the chief negotiator in Lima, bad just wouod up the talks and would now report to the board on the talks which look set to give the company an important new foothold In the South American market. The board Is expected to give the final go-ahead for the move In early March.

Volkswagen stressed yesterday that although the assembly in Peru would not involve large numbers of vehicles—only tens of thousands, according to company officials — there were strong prospects for VW in the Andean Pact countries, which group Peru, Bolivia, Equador, Colombia and Venezuela, wbicb bave launched a sweeping programme aimed at establisbing regiooal motor industry.

By 1985 the Andean market is expected to be about 350,000 veblcles and the bulk of the demand — about 200,000 — will come from Venezuela.

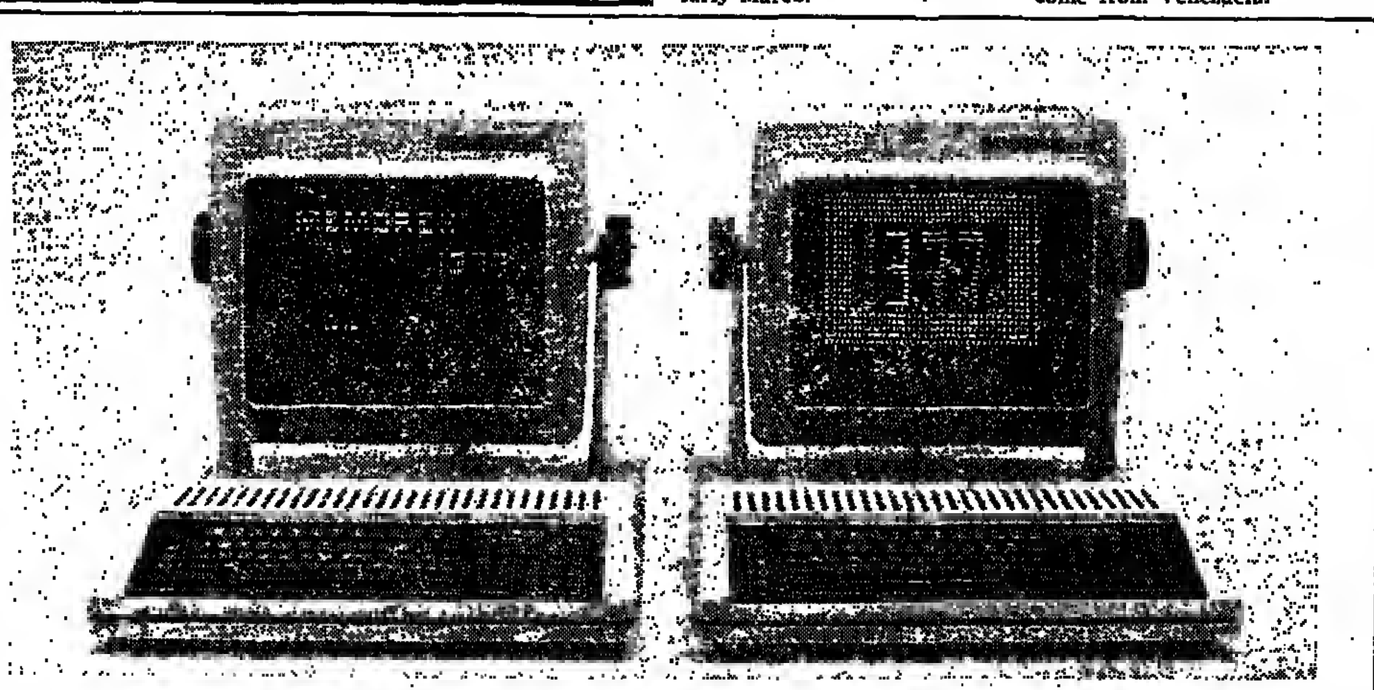
Spain keen on tank project

BY ROBERT GRAHAM IN MADRID

WEST GERMANY will consider Spanish participation In the Franco-German project for a battle tank for the 1990s. This is one of the main upshots from a two-day visit to Germany by Sr. Agustin Rodriguez Sahagun, the Spanish Defence Minister, which ended on Tuesday.

Spain's present armoured strength centres on the old American M-47 and M-48 tanks, These are undergoing a progressive refit and upgrading at the Talbot (Chrysler) plant near Madrid. But Spain needs to improve its armoured potential and Sr. Sabagun discussed with the Germans the possibility of purchasing the new version of the Leopard.

Sr. Sahagun said after bis talks that Spain was also keen on sharing in the Franco-German battle tank project, and this participation interested the Germans.



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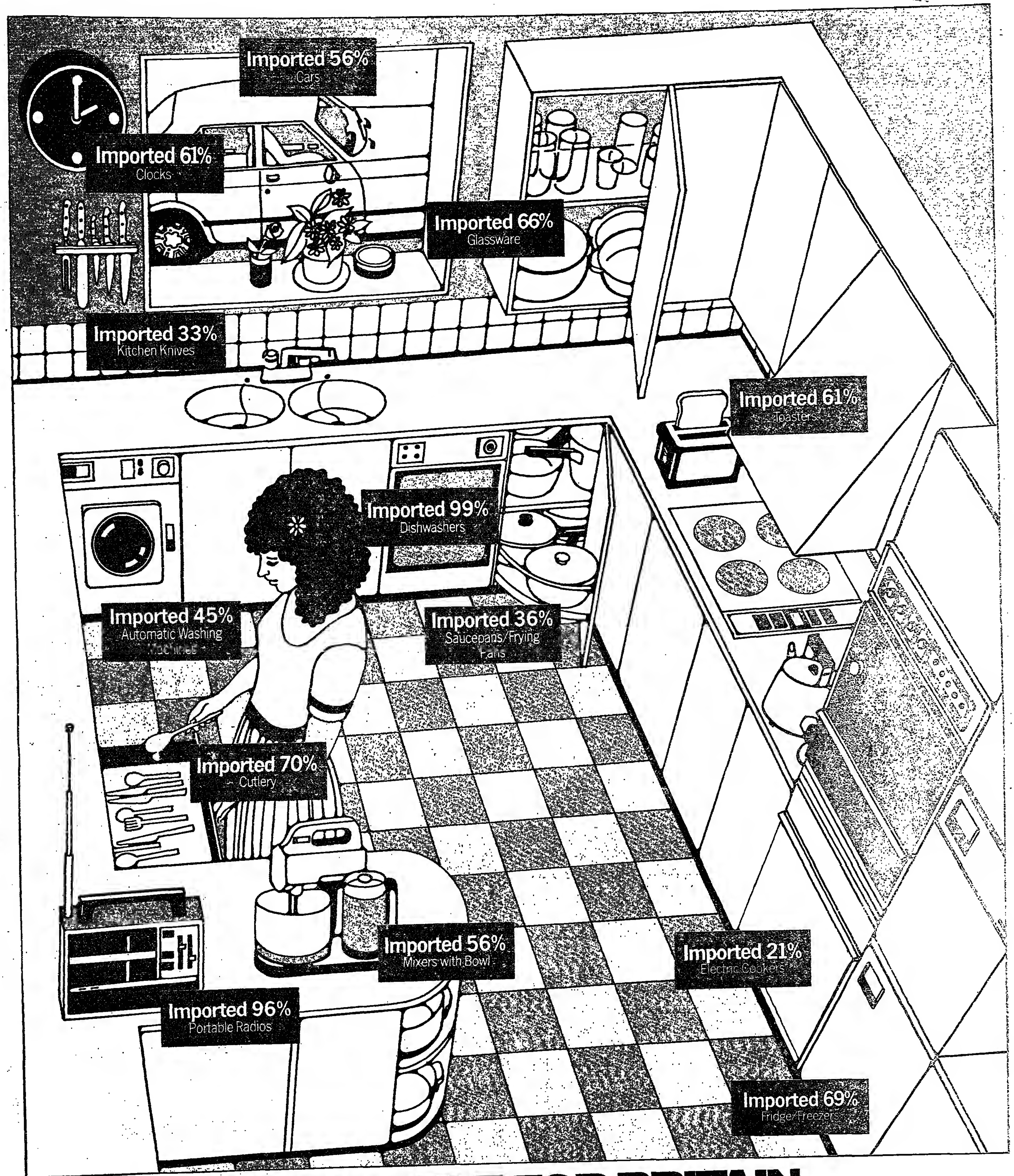


THE BATTLE FOR BRITAIN

Make no mistake.

Britain is fighting a battle all right. It is being fought in our own homes.

British manufacturers are fighting for a proper share of the domestic market for goods and products.

And we're in danger of losing the battle partly through our own indifference and apathy.

Is it important?

Make your own judgement. But first consider – we are falling further and further behind in the business of creating wealth for our nation.

It's time for us to stop worrying about where we've all gone wrong.

And start trying to put things right.

To be sure, we are better off than we were twenty years ago.

But then our standard of living was one of the highest in Europe. Now it's about the worst.

Britain has always existed – and prospered – as a trading nation.

But last year the volume of our manufactured exports grew only one tenth as fast as our imports.

And no country can continue to export successfully without a strong base at home.

Other countries give themselves a much better chance. They instinctively protect domestic markets by preferring to buy home-produced goods when they can.

The British on the other hand are no longer buying British.

We're too busy looking down our noses at ourselves and our products.

And it's helping to lose the battle.

In one vital industry, the battle has reached a crucial level.

The motor industry.

As Britain's only British owned volume car maker, BL directly or indirectly supports some 2 million people.

Unlike Britain's other volume manufacturers, practically all the cars BL sells here are made in Britain.

It has a heavy investment of public money, the fruits of which are now beginning to come through.

The new Mini Metro and the Leyland T45 truck are just two examples of many exciting new products coming from BL this year.

BL certainly has a tremendous amount to gain from a positive shift in attitude towards the British buying British.

But the problem doesn't just belong to BL.

Every foreign car bought in Britain means less British steel, tyres, plugs, lights, carburettors, batteries.

And every seven cars brought in destroy the job of a British worker.

Of course no manufacturer has any right to expect even the most patriotic of us to buy British out of a sense of duty.

That said, too many of us are too ready to be convinced that a home made product is inferior because it *is* made at home.

It's a peculiarly British problem that doesn't exist in other countries.

So next time you're looking to buy *anything*, but especially a motor car, look at the British product first. Then, if it doesn't suit you, we'll be surprised. But we'll have no complaints.

ISSUED MAINLY IN THE INTERESTS OF BL BUT ALSO ON BEHALF OF BRITISH MANUFACTURING INDUSTRY.

BSC faces a tough recovery

BY ROY HODSON

TEMPORARY price-cuts on some steel prodncts will probably be offered by British Steel Corporation after the strike, to recover its market from cheaper imports.

Although the strike'a end is not in sight, a main problem facing BSC's management is how to regain customer confidence, to re-enter the international steel trade quickly and effectively.

The prospect is daunting for the marketing men. Since BSC last made any steel for sale — on December 24, 1979—the international market for iron and steel products has suffered a general down-turn because of world economic uncertainties.

European industry expects a no-growth year and steel prices are already nnder pressure throughout the EEC.

Hitherto the British market's comparative isolation has enabled domestic steel makers in private and public sectors to maintain their domestic prices at premiums of up to 15 per cent above ruling Continental prices. Sucb premiums are considered unrealistic now that BSC must fight to regain its market.

BSC is losing £17m a week during the strike but its board is agreed that, because of International competition, it cannot recoup any of this by passing the burden on to customers through higher prices.

Also, the board does not consider higber prices a possible solution to meeting striking workers' pay demands.

Mr. Gordon Sambrook, a board member and BSC's commercial director, said yesterday: "We haven't a cat in Hell's chance of getting the money by raising prices."

BSC'a best hope of recovery lies in its ability to maximise production from its new iron and steelmaking facilities, whicb when running flat ont will provide some of the lowest unit production costs in Europe. But months must elapse between the strike's eod and restoration of full and efficient production.

In that interim BSC is expected to show an unprecedented flexibility on prices for the range of steel products being imported from European and other world steel-prodncers.

These so-called commodity steel products, which can be produced and sold almost anywhere in the world, include flat-rolled products, mild steel-plate, smaller sections and angles, mild steel bars, and re-inforcing bars.

Steel imports to Britain account for about 20 per cent of the market worth some £600m a year. Mr. Sambrook expects a temporary rise in imports of between 4 per cent and 5 per cent during the post-strike period.

Some foreign steel is reaching British Indnstry in spite of picketing at ports. Companies which have stepped up their purchases of foreign steel are likely to retain those secondary sources of supply after the strike bas ended.

Even before the strike, this year was expected to be a poor one for British steelmakers in the home market, with demand likely to fall from 15.5m product tonnes (1979) to only 14.25 prodnct tonnes.

Imports are certain to capture an abnormally high share of that total markat, because of the strike and supply problems when BSC is starting up plants in the post strike period.

The total market probably will be even smaller than forecast, because of BL Cars' intention to shut plants and lay off workers. BSC estimates it has been supplying BL with 600,000 tonnes of ateel a year directly and indirectly.

It is too early to make any accurate assessment of the steel business that will be lost because of the BL plans. But shrinkage expected in tbe automobile market reduces BSC's for for manoeuvre even further.

Steel shortage worries railways

BY LYNTON McLAIN

BRITISH RAIL, whicb bas lost £12m in revenua as a result of the steel strike, said yesterday that the loog-term effects of the strike were a mattar for concern.

Iron and steel movements accounted for just over 15 per cent, £59.4m, of British Rail's total freigbt revenue of £384.4m in 1978.

British Rail has been hit by reduced demand for coal from power stations due to the strike. Almost no coke bas been carried to steelworks since it started oo January 2.

Coal and coke movements accounted for 94m tonnes of BR's total of 170m tonnes of freigbt in 1978.

The British Rail board has cancelled all steel trains in Scotland, the North-East, Sonth Wales and other steelmaking areas.

This decision was taken some time ago to minimise the effects of the strike on rail freight, which under Government policy is not allowed to lose money.

The freight business was in serious financial difficulties last year. Almost all the £9.6m operating loss for British Rail as a wbole in the first six months of tha year was attributed to freight.

BR blamed the road haulage strike, the series of 24-hour strikes by ASLEF, the train-drivers' union, the engineering strike and the weather.

It said yesterday that any loss on freigbt, including that for the first half of last year, must be mada up by internal funds or borrowing.

Extra borrowing would require Government approval. A loss has been avoided, it is understood, by transfer of funds from more successful parts of the railways.

The steel strike, started after tha end of BR'a financial year in December, will not affect 1979 results.

It is certain to have a serious effect on results this year.

BR said yesterday it was saving on the business by not making overtime, night doty or "unsocial hours" payments for men usually involved in steel transport. All are on basic pay.

These saving have cut the loss from the strike to £2m a week.

Likely operating loss for the freight services will be paid for by transfer of funda from parts of British Rail wbich include the successful Inter-City services.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.310	5	4.50	—	—	—	—	F.295
ABN P	F.320	5	2.80	—	—	—	—	"
AKZ C	F.22.50	60	3.90	5	4.30	—	—	F.26.90
AKZ C	F.25	115	1.90	60	2.30	1	5	"
AKZ C	F.27.50	60	0.70	137	1.10	—	—	"
AKZ C	F.30	80	0.30	46	0.60	—	—	"
AKZ P	F.22.50	—	—	1	0.60	—	—	"
AKZ P	F.25	10	0.60	30	1.20	—	—	"
AKZ P	F.27.50	3	2	—	—	—	—	"
ABB C	F.65	5	1	—	—	—	—	F.62.90
CSF C	F.400	2	162	—	—	—	—	F.564
EK P	$45	20	6¼	—	—	—	—	$49⅛
EK C	$60	7	3	—	—	—	—	"
HEI C	F.70	30	4.30	10	4	—	—	F.69.70
HEI P	F.75	25	1.50	—	—	22	4	"
HO C	F.22.50	—	—	1	2.40	—	—	F.23.70
IBM P	$70	32	4	—	—	—	—	$66⅞
IBM C	$75	23	1¾	—	—	2	5½	"
KLM C	F.70	12	6.20	10	8	—	—	F.73.50
KLM C	F.80	104	2.10	7	3.60	2	6	"
KLM C	F.90	44	0.40	5	1.10	—	—	"
KLM P	F.60	15	1.20	—	—	—	—	"
KLM P	F.70	40	4	51	5.60	1	7.50	"
KLM P	F.80	10	8.70	19	9.30	—	—	"
NN P	F.110	4	5	27	6.30	—	—	F.113
NN C	F.115	30	2.30	62	3.50	5	5	"
NN P	F.120	57	0.90	26	1.80	1	2.80	"
NN C	F.125	2	0.30	—	—	—	—	"
NN P	F.115	—	—	—	—	2	5	"
PET C	Fr.5600	1	900	—	—	—	—	Fr.6230
PET C	Fr.6000	7	510	—	—	—	—	"
PHI C	F.20	42	1.20	206	1.60	77	2	F.20
PHI C	F.22.50	115	0.30	455	0.70	41	0.90	"
PHI C	F.25	5	0.20	—	—	—	—	"
PHI P	F.20	10	0.60	2	0.80	2	1	"
RD C	F.140	10	31.50	—	—	—	—	F.170
RD C	F.145	2	26.50	—	—	6	29	"
RD C	F.150	57	21.20	27	21.50	—	—	"
RD C	F.160	185	14.20	107	14.60	60	15.20	"
RD C	F.170	632	7.60	180	8.50	34	9.50	"
RD P	F.145	—	—	—	—	1	3	"
RD P	F.150	70	0.90	11	2.30	—	—	"
RD P	F.160	29	2.90	51	5.60	—	—	"
RD P	F.170	26	7	26	10.60	20	12.60	"
UNI C	F.115	12	5.50	—	—	1	7.30	F.116.20
UNI C	F.120	—	—	—	—	4	5.80	"
XRX C	$60	6	7¾	—	—	—	—	$67
XRX C	$70	15	2⅝	—	—	—	—	"
		Feb.		May		Aug.		
OXY C	$25	—	—	10	7⅛	5	8½	$30⅞
SLB C	$100	12	15½	60	17¼	46	19¼	$116⅜
SLB C	$110	—	—	42	10¼	46	13	"
TOTAL VOLUME IN CONTRACTS						4186		

C=Call P=Put

Short time for shipyard starts next week

BY WILLIAM HALL, SHIPPING CORRESPONDENT

AUSTIN AND PICKERSGILL, one of the most successful nationalised sbipyards, will introduce sbort-time working next week because of shortage of steel. It is the first shipyard to run into difficulties as a result of the steel strike wbich started six weeks ago;

The company will put its 2,600 production workers on to a three-day week from Monday.

Just before Christmas Austin and Pickersgill announced a spate of orders. It uses between 600 and 700 tons of steel a week. Since the steel strike began it has received no new steel.

Mr. Ken Douglas, the managing director, said yesterday that be bad enongb steel left for three or four ships.

The company is more vulnerable than most yards because of the size and number of orders it bas received recently.

Other yards that are close to completing ships are less affected.

Appledore Shipbuilders, Devon, which uses about 400 tons a week, said it had enough for the next two ships, but after that would not be able to build the next two on order without fresh supplies.

Pits can continue five weeks

THE NATIONAL Coal Board is thougbt to have supplies of steel products sufficient to last at least another five weeks before the steel strike starts to bit coal output.

The NCB, whicb estimated at tha beginning of January that it bad steel products sufficient to last just six to eight weeks, now believes that it has enougb to maintain normal production until the second half of Marcb.

Improvisation has enabled the Coal Board to spin out its stocks. For example, steel undergronnd supports have been removed from worked out areas and used elsewhere, after being reworked if damaged or bent. There has also been a small but fairly constant exchange of steel parts between collieries.

Court questionnaires condemned

LEGAL AID quastionnaires sbonld be withdrawn from Magistrates' Courts where they are circulating because they are "objectionable and entirely unofficial," according to this week's Law Society Gazette.

The solicitors' journal says the qnestionnaire, a supplement to the nsual Home Office form, has recently appeared in some courts and its use is apparently spreading.

The Gazette suggests that increasing use of the supplementary form may be partly due to the fact that it was reproduced in full in the November 24 issue of the Justice of The Peace Jonrnal "with an approving comment."

But the questionnaire was not approved by the Justices' Clerks' Society, which, it adds, made no approach to the Law Society on the matter.

Inmos worried by cash hold-up

BY JOHN LLOYD

DELAY BY the Government in approving the second tranche of £25m for Inmos, the semiconductor venture backed by the National Enterprise Board, is costing the company around £300,000 a day in lost future production, according to Mr. Iann Barron, Inmos' managing director.

Mr. Barron said last n[illegible] that the plant, planned for Bristol, would earn that amount when it reached full production at the end of 1982. It was planned to go into limited production by the end of 1981, though that targat may now slip.

"This is obviously a serious matter for ns. We assumed that a decision would be made before the end of last year, and that we could begin work on the new factory from January 1. In effect, every day lost since then is costing us in lost prodnction and lost markets."

Inmos announced its decision to set up its first UK manufacturing plant in Bristol, at a cost of £24m, at the end of December. It was expected that the Government would announce approval for the further £25m support early in January.

Second tranche

The new Board of the NEB has approved the second tranche and it is understood that officials in the Department of Industry have swung round in support of it. The booming market for semicondnctors has convinced officials of the viability of the project.

It is believed, too, that Sir Keith Joseph, the Industry Secretary, is in favour of the scheme, but be faces a battle with the Treasury to approve the extra cash at a time when pnblic spending cuts are demanded.

The company does not face an immediate cash crisis; since it has only speot around £10m of the first £25m tranche, mainly on pilot production in the U.S. However, it must receive approval on the second before it proceeds with the Bristol factory.

Controversy

It must also receive an industrial development certificate to allow it to develop the site, though it is expected that the certificate will be automatically granted if and when the second tranche is made.

There has been some controversy over the choice of Bristol for the plant. Mr. Alan Williams, an Industry Minister in the previous Government, has said that the decision to locate it there, rather than in a development area, was "a betrayal" of previous undertakings.

The Government must also decide whether to allow Inmos to make its own commercial decisions.

Hooligans meet their match

A NEWLY INSTALLED electronic system of crowd control at Ipswich Town Football Club bas more than balved incidents of booliganism.

In the 1978-79 season over 180 arrests were made at the ground but so far this year, halfway through the season, only 45 have been made.

Receiver called to Welsh gelatine manufacturer

BY ROBIN REEVES, WELSH CORRESPONDENT

RECEIVER MANAGERS were yesterday called into P. Leiner and Sons, tbe South Wales gelatine manufacturer, which only a year ago received a £2m capital injection from the Welsh Development Agency.

The investment by the WDA, Wales' equivalent of the National Enterprise Board, was its biggest financial stake in a single Welsh company.

The industry's problems have been highlighted by the closure of Hodgsoo's Gelatine, and Sterling Gelatine'a recent statement that it would close its Northampton plant by the end of March. Croda International, anotber UK manufacturer, is cutting production witb 150 redundancies.

Gelatine is used in the food, pharmaceutical and photographic industries.

Significantly, Hodgson's was a subsidiary of British Tanners, whicb was the subject of a National Enterprise Board rescue operation, before it finally folded. Sterling is a subsidiary of the French company Rousselot, the world's largest gelatine producer, which plans to import its requirements from France.

The appreciation of sterling against other currencies in the past three months in particular bas made trading very difficult for the UK gelatine industry.

Adding to the acute embarrassment surrounding the Leiner announcement is the fact that soon after the capital injection of WDA funds was disclosed, Mr. Jack Loveland, the agency's executive director responsible for investment, left to join Leiners as joint chief executive.

The WDA is also owed more than £1m in its capacity as landlord of Leiners' premises on the Treforest Industrial Estate and supplier of services such as electricity, water and steam to tha company. Leiner has failed to meet its rent and service charges since last autumn.

Pending an examination of the company's financial position, the joint receivers and managers from Deloitte Haskins and Sells have authorised the continuation of production. They hope all or part of the business may be sold as a going concern.

It employs 380 at the Treforest site, though as recently as two years ago it employed 750.

The directors' statement blamed the company's difficulties on worldwide overcapacity in gelatine manufacture.

Leiner, which has been one of the world'a leading gelatine manufacturers, started production in South Wales in the mid-1930s. In recent years it has won three Queen'a awards for export achievement, selling its prodncts to more than 70 countries.

Packaging costs increase

BY WILLIAM HALL

THE PRICE of imported kraft liner, one of the main raw materials of the packaging industry, is expected to rise by 9 per cent in March. The increase follows a 10 per cent rise in January.

According ta Thames Case, one of the major UK corrugated case makers, kraft liner prices are likely to rise to $415 per tonne. This compares with a price of $305 per tonne in Jannary last year.

Scandanavian and U.S. kraft liner producers last year announced two price increases —7½ per cent in February and 14 per cent in August. Test liner, which is made from waste paper in the UK is also expected to rise in price. The corrugated fluting medium suppliers bave also announced an increase of 8½ per cent.

Because of these price increases the cost of corrugated boxes will be abont 12 per cent bigher.

Sixpence to be scrapped

THE OLD sixpence is being scrapped, the Government announced yesterday. Mr. Nigel Lawson, Financial Secretary, said in a Commons written reply to the Treasury, that as a result of the review of the future of the sixpence announced last November, "A Royal Proclamation under the Coinage Act, 1971, was made earlier today calling in all coins of the denomination of two-and-a-half new pence by June 30."

First issue of solar energy newsletter

FINANCIAL TIMES Business Information launches tomorrow World Solar Markets, a monthly newsletter.

Considered only a few years ago as a low investment priority, solar energy is now looked on as one of the most promising future energy resources.

World Solar Markets aims to supply the essential facts on the solar industry and will report each month on the financial, political and technological developments in this fast-growing worldwide indnstry, with the accent on business opportunities.

World Solar Markets will be published the second Monday of each month.

TAKEOVER WILL COMPLEMENT ICG INTERESTS

CompAir to keep identity

BY MAURICE SAMUELSON

WHEN a company with major interests in bottled gas attempts to buy a supplier of compressed air it looks like a marriage of similar interests. That is the first impression gained from yesterday'a £58m agreed bid for CompAir by Imperial Continental Gas Association (ICG).

CompAir is a major international supplier to industry of compressed air and associated equipment. ICG, among its many other interests, controls Calor Gas, which sells fuel in pressurised cylinders.

But such similarities are misleading. A major factor behind the decision of CompAir's board to recommend acceptance of the bid by shareholders is that, far from overlapping, the two groups' interests are in differeot fields and will thus enable CompAir to continue to operata as a separate eotity.

In other respects, too, the prospective partners are widely different. CompAir, one of the six international groups which dominate the compressed air market, is only 12 years old, while ICG bas its origins in the second decade of the last century.

ICG's net assets in 1978-79 were £290m and pre-tax profits in the year to last September were [illegible]1.5m. The corresponding CompAir figures were £64.6m assets and £8.3m pre-tax profits.

CompAir was formed in 1968 in a merger between Broom and Wade and Holman Bros. Its midwife was the Industrial Reorganisation Corporation, forerunner of the present National Enterprise Board.

The aim was to establish a stronger British presence in tha expanding compressed air market then dominated by Atlas Copco of Sweden and three American gronps — Ingersoll Rand, Chicago Pneumatic and Joy Manufacturing.

It has sioce developed into a broadly based concern with five operating companies in the UK and 19 subsidiaries and associates in other countries. Sales rose from £28m in 19[illegible] to £147m in 1978. Two thirds were outside the UK, the most important being in Europe and the United States.

Why, then, did its board agree to the ICG proposals? CompAir said yesterday that because of current economic conditions it bad reached a point where it might begin to lose trade and become vulnerable to a takeover bid in which its independence or survival might not bave been assured.

ICG offered the financial support for it to continue to expand in fields in which ICG did not compete.

CompAir denied it recently failed to win important contracts because of insufficient financial backing but said several factors had slowed its growth in the past two years, including economic difficulties in Nigeria, the Iranian revolution and the engineering strikes in Britain.

In a statement yestarday the two companies said the merger would enable CompAir to accelerate its penetration of world markets as the leading British-owned company supplying compressed air equipment.

Sir William Mather and Mr. Alex Masters, CompAir's chairman and chief executive respectively, would keep their posts and would join ICG's Board.

CompAir'a acquisition could also complement ICG's increasing investment in offshore oil exploration around Britain, it added.

Telling people where to invest is as important to us as telling people where to go.

A lot of people turn to the English Tourist Board for advice before they set off on holiday.

They find the information we give them makes a big difference to their enjoyment of a region.

But instead of going on holiday, say you were going to build a hotel. Would you consult the ETB about its location?

Probably not.

Yet an important part of our job is to help investors pinpoint development opportunities in areas needing them.

It goes hand in hand with the work we do to promote those areas for holidays.

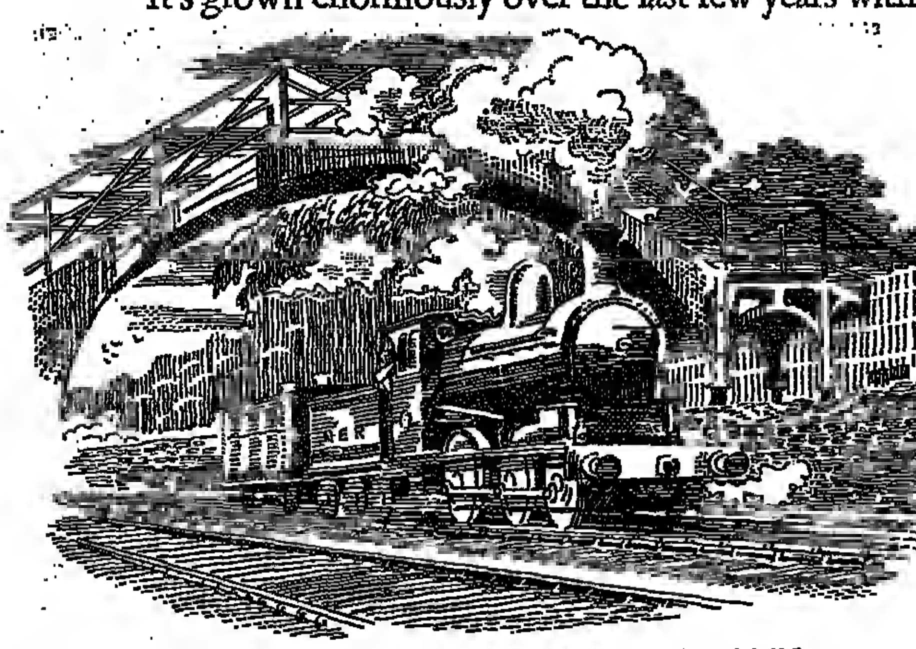
WE'RE RUNNING A TV CAMPAIGN TO ENCOURAGE TOURISM IN THE NORTH.

At the moment, for instance, there's a campaign on TV to persuade people in the South to visit the Northcountry.

You've probably seen the commercial featuring Spike Milligan.

The size of the campaign reflects the size of the tourist industry today.

It's grown enormously over the last few years with



THE ETB HELPS TO RECREATE THE PAST AT THE NORTH OF ENGLAND OPEN AIR MUSEUM.

an increase in visitors from overseas of over 90% between 1971 and 1979.

But if we are to continue to attract overseas tourists, and more important perhaps, are to persuade those who live here to take their holidays here too, it's vital we provide the facilities they expect, especially in areas at present lacking them.

This is why the ETB want to encourage investment in tourism and why perhaps we could be helping you.

What kind of scheme are we interested in?

Let's look at some examples. They should also give you an idea of the scope of our experience in helping investors.

One of the largest and most imaginative schemes we've been involved in is The North of England Open Air Museum at Beamish.

AT HOMELEIGH AN ETB GRANT HELPS RETAIN THE CHARACTER OF TWO CONVERTED BARNS.

Begun in 1970, it covers two hundred acres of parkland near Chester-le-Street and is a recreation of the region's history and way of life.

Many of the attractions were developed with ETB's financial assistance, including a farm, a colliery with a row of pitmen's cottages, and a tramway, and our involvement is continuing into the eighties.

Beamish attracted 300,000 visitors last year. By 1985 the figure is expected to be over half a million.

It's a good example of the sort of large scale investment we hope to see more of in the future.

Obviously few of the 40 or so projects that arrive at the ETB each week in search of help and advice are on such a scale.

But regardless of size, we're looking for quality and viability in a scheme.

The following is a good example of this.

When Mr. Buchanan approached us he had two disused farm buildings at Homeleigh that he wanted to convert into self-catering accommodation.

In order to retain the Cornish character of the barns, and to complete the work to a high standard, he needed our help.

We gave him our advice and a grant, and by June last year the accommodation was ready for the first ten guests.

It's projects like this, where existing buildings are improved with care and consideration, that we're only too happy to assist.

The Newbus Arms is another example.

Set in quiet countryside 3 miles east of Darlington, this Gothic manor house had been standing empty until Mr. Paxton bought it in 1976.

Owner of a construction company, he was, like many of the businessmen we've helped, looking for an opportunity to diversify his business interests.

NEWBUS ARMS. A REDUNDANT MANOR HOUSE HAS BECOME A COMMERCIALLY SUCCESSFUL HOTEL.

We liked his plans for converting the house into a first class hotel and agreed to help.

We're particularly keen to encourage this type of investment, as often the properties concerned are in areas with little or no accommodation.

Sometimes the best way to attract holidaymakers to an area, and at the same time extend the holiday season, is to develop a complete range of facilities.

This is what a London firm wanted to do at Northam, North Devon.

They'd bought a Georgian house and 17 holiday bungalows in 1969. Then eight years later they decided to redevelop the site and approached the ETB with their plans.

There was to be 59 self-catering chalets, a swimming pool, squash court, tennis courts, putting green, games room, restaurant and club bar.

THE POOL AT THE LENWOOD COUNTRY CLUB. IT WOULDN'T HAVE BEEN POSSIBLE WITHOUT OUR HELP.

It was exactly the kind of development that's needed in many areas of England in order to attract visitors, particularly from overseas, away from the well-known and often congested holiday centres. With our help, Lenwood Country Club re-opened in 1978.

But how, exactly, could the ETB help you?

Obviously we'd need to talk to you to answer that, but it might be an idea if we looked more closely at the different kinds of help we have to offer.

Perhaps the hardest part for anyone investing in tourism is getting to know about the opportunities that exist.

That's why, a short while ago, we produced a series of regional portfolios of Development Opportunities in Tourism. Already they've led to a major hotel development and there are others under consideration.

Prepared in collaboration with the relevant regional tourist boards and local authorities, each one gives background information on the area and, where known, specific development opportunities in four categories of tourism: serviced accommodation, self-serviced accommodation, leisure facilities, and business facilities.

Each regional portfolio costs £10 and all information in them is continuously under review.

They can reduce significantly the time and effort normally taken to locate a site for development, especially as each location has been checked with the local authority.

So if you're contemplating a self-catering development, for example, you can get a good idea of the type of investment most likely to be profitable and least likely to meet planning objections.

You'll get further help, too, from our series of Development Guides that deal, in particular, with various aspects of taxation and legislation.

And a new series, Planning Advisory Notes, although mainly intended for local authority planners, will certainly be of interest if you're involved in the planning or management of a tourist development.

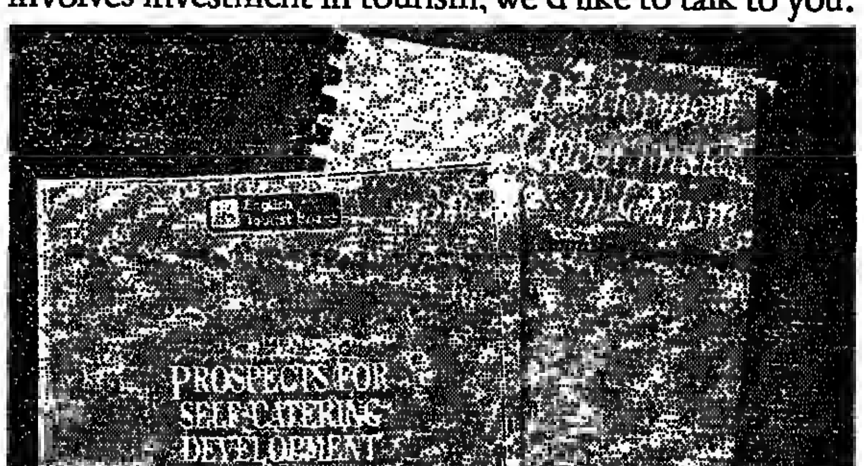
We may be able to assist financially with a project too, although this depends, amongst other things, on its location.

We can only consider loans and grants for projects in Assisted Areas; that is Cornwall and parts of Devon and the North of England down to a boundary stretching roughly from Stoke-on-Trent to Skegness.

However, we can give advice on investment in tourism for the whole of England, and we maintain close contacts with the Clearing Banks and other major sources of finance who are increasingly sympathetic to supporting investment in tourism.

We offer the most comprehensive range of information and expertise on tourism matters. But if we are unable to help, we're usually in touch with someone who can.

No matter the project you're considering then, if it involves investment in tourism, we'd like to talk to you.



Phone 01-730 3400 and ask for Frank Howe if you'd like general advice on tourism investment in England, or Paul McKeough for details of grants and loans for specific projects in Assisted Areas.

English Tourist Board

English Tourist Board, 4 Grosvenor Gardens, London SW1W 0DU.

UK NEWS

Experts 'best judges of reactor hazards'

BY DAVID FISHLOCK, SCIENCE EDITOR

NUCLEAR EXPERTS rather than Government ministers should decide whether to shut down a nuclear plant because of cracks, a select committee of MPs was told yesterday.

Specific technical decisions about nuclear reactor safety should be taken by the chief nuclear inspector said Dr. Walter Marshall, deputy chairman of the UK Atomic Energy Authority and a director of the National Nuclear Corporation. Dr. Marshall was giving evidence to the Select Committee on Energy.

The arguments underpinning the decision should be as fully disclosed to the public as possible, added Dr. Marshall.

The decision would have to go to a minister if there was serious disagreement between the technical experts. But Dr. Marshall did not think that this situation would ever arise, because in the event of any disagreement the chief nuclear inspector would come down on the side of safety and close the plant.

What worried him more was that the nuclear inspector might come under political pressure to reverse his decision to close a plant, said Dr. Marshall, who with Sir John Hill, UKAEA chairman, was being questioned by MPs about the Government's decision to build an 1,100 MW pressurised water reactor (PWR) of Westinghouse design.

Both said that they supported the Government's decision, which had been arrived at because of fears that any attempt to choose between the British-designed advanced gas-cooled reactor (AGR) and the PWR at this stage would prolong "for ever" the public tcontroversy over reactor choice.

However, "ideally we ought to be concentrating on one or the other," said Dr. Marshall.

He was assuming that the UK Atomic Energy Authority would take the lead responsibility for acceptance of the PWR pressure vessel, which would be made overseas—probably in France, Germany or Holland. He estimated that a team of 20-30 would need to work for "a few years" on techniques of quality control and quality assurance to be ready to take delivery when the time came.

Dr. Marshall assured the select committee that he was satisfied a British PWR could be built safely. If it was not, the nuclear inspectors would not approve it, he said. Britain had already amassed a lot of "similar but not identical" experience in building PWRs for nuclear submarines.

Parliament's role was to make sure that the responsibilities for safety were correctly distributed between the UK Atomic Energy Authority, the electricity supply industry and the Nuclear Installations Inspectorate. He believed that at present Britain had got its organisation and the Acts of Parliament behind it "exactly right," in contrast with the U.S.

Questioned about the choice of the PWR, and of Westinghouse as its supplier, Dr. Marshall pointed out that one had to look beyond performance figures. In his view, proficiency in construction and operation "greatly outweighs relative differences between different technologies."

MLR unlikely to start falling until mid-May, say brokers

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

MINIMUM LENDING RATE is unlikely to start to fall from its current 17 per cent level until mid-May at the earliest, say stockbrokers James Capel.

In a new circular they highlight the City's increasingly cautious mood concerning short-term interest rates.

Ahead of publication this afternoon of full money supply figures for mid-January, they warn of the possible need for further substantial sales of gilt-edged stock by mid-April if sterling M3 growth is to be contained.

However, because of a fall in liquidity of pension funds and insurance companies, such sales would put further pressures on financial markets. It would appear to be preferable to leave the market without a new tap issue until after the end of the March banking month.

James Capel, like some other brokers, previously had believed that money supply would come within the target range by early spring.

But the firm now thinks the figures for banking February (announced in March) will still be above the required level, and that it will not be until banking March that the rate of monetary growth will fall below the 11 per cent upper limit.

They say mid-May (when the April banking figures are announced) would appear the earliest date that a cut in MLR could be contemplated, because the Government is likely to want sight of two reasonable sets of money supply figures before allowing a cut in interest rates.

This, increasingly, is the view of other brokers.

NCB will put up coal by over 15%

By Martin Dickson, Energy Correspondent

A SUBSTANTIAL rise in coal prices—probably more than 15 per cent—is likely to be announced by the National Coal Board before the weekend.

The increases will come under the NCB's regular annual price review, which takes effect for industrial users on March 1. Domestic prices are usually held down until November to encourage householders to stock up in the summer when trade is slack.

But this did not happen last year when the price of all coals rose 8-13 per cent on July 1, on top of a 9 per cent rise in March for industrial users. It is not clear whether this year the Coal Board will be able to return to the November date for domestic increases and be able to guarantee fixed prices for the year.

The size of the rise for industrial coals will have a significant impact on electricity prices, which are set to rise about 17 per cent in April and a further amount in the autumn.

An understanding reached between the NCB and the Central Electricity Generating Board last summer should have a restraining effect on steam coal price rises. The agreement specified that the CEGB would take 75m tonnes of NCB coal a year for the next five years provided the board did not raise its prices by more than the rate of inflation.

At the same time, in setting its new prices, the NCB will have had to take account of the 20 per cent pay settlement it reached with the miners last December, the effect of inflation on its other costs and the steep rise in the price of alternative fuels, such as oil and gas.

● NEWS ANALYSIS—SALVESEN'S WITHDRAWAL

High cost of competing offshore

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THE DECISION by Salvesen Offshore Holdings to pull out of the offshore drilling market underlines the problems facing a British company wanting to break into a highly cyclical business dominated by the North Americans.

As the first independent British company to try its hand at offshore drilling, Salvesen wanted to run with the giants in the North Sea before it could even walk. Sadly, its departure from the scene coincides with the first offshore drilling boom for over five years. Oil companies are desperate to get their hands on anything that can drill in a scramble to find new sources of oil outside the Middle East.

Eggar Forrester, the London shipbrokers say the daily operating rates charged by semi-submersible drilling rig owners have shot up by 150 per cent over the last year or so. At $20,000 per day drilling rigs were not covering their financing charges. But, at current rates of $50,000 plus per day, they are making handsome profits. This is emphasised by the way prices of second hand semi-submersibles have jumped from $22m to around $50m over the last 12 months.

SEMI-SUBMERSIBLE DRILLING RIGS DAILY OPERATING RATES

	$
end-1974	40,000
1975	22,000
1976	20,000
1977	18,000
1978	16,000
1979	40,000
Current	50,000

Despite attempts by the UK Government to stimulate an indigeneous offshore drilling business, the current boom will bypass UK companies to a large extent. Today, there are just two major independent UK forces in the offshore drilling market—Ben Line/Ben Odeco and Kingsnorth-Marine Drilling.

Salvesen Offshore Holdings started off with high hopes. It was formed in 1974 to acquire a converted drillship, the Dalmahoy, which was already owned by another Christian Salvesen Company. Salvesen, a large private Scottish Company, wanted to bring in outside investors and invited Finance for Industry, North Sea Assets and Rio Tinto Zinc to participate, whilst retaining a 40 per cent stake itself.

With the extra capital, Salvesen Offshore Holdings (SOH) ordered another converted drillship, the Dalkeith, and planned to acquire another two ships which would have catapulted it in the big leage.

From the start, however, things went wrong. After being unused for a while, the first drillship won an Indian Government contract but was damaged by a cyclone and laid-up. The cost of converting the second drillship escalated from $24m to $30m and SOH could not find work for it when it was delivered.

As a result Salvesen Offshore ran seriously short of funds and even with full utilisation of the vessels, it was impossible to meet its third party obligations. The shareholders injected extra cash, rescheduled the bank borrowings and purchased the tax losses — all to no avail.

So, early last year, having written down the investment to nil the Dalmahoy was sold for $11.5m—roughly half what they could have got today. Although this provided the company with adequate funds at the time, Salvesen concluded that a one vessel drilling company was too small to compete with the giants and took the decision to withdraw altogether. Earlier this year, the last drillship, the Dalkeith, was sold to the Danish shipping group, Lauritzen, for around $20m—$10m less than the initial building cost.

With hindsight it is easy to see where Salvesen Offshore went wrong. From the beginning it was undercapitalised and had to rely heavily on bank borrowings. This is not a recipe for success in a highly cyclical industry since the banks are far less amenable than equity investors when their interest payments dry up.

INDEPENDENT UK DRILLERS

Company	Jack-up	Drill ship	Semi-sub
	Type of rig		
Ben Line		1	2
Ben Odeco*	1	2	
Kingsnorth**			2
World total***	216	63	114
Under construction	74	4	3

*Odeco owns 50 per cent, Ben Line 30 per cent. Remainder held by North Sea Assets and Royal Bank of Scotland.

**Furness Withy owns 60 per cent, remainder Norwegian.

***Source: H. Clarkson & Co.

Salvesen Offshore also made the mistake of specialising in one type of offshore drilling rig, which limited its flexibility in seeking new work. It also bought-in outside expertise, but did not have a strong international partner.

Ben Line, by contrast, decided at a very early stage that if it was going to succeed in the offshore drilling market it needed an experienced partner. After many months of research, Ocean Drilling and Exploration (Odeco) of New Orleans was approached. As a result Ben Odeco was formed as a joint venture between Odeco and Ben Line Offshore Contractors. Ben Line owned 60 per cent of the latter company, and North Sea Assets and Royal Bank of Scotland came in as minority partners.

The venture was regarded as a partnership between equals. Odeco provided the drilling expertise and Ben Line provided the ship management and engineering expertise. The joint venture now owns a jack-up rig, a conventional drillship and a sophisticated dynamically positioned drill ship, all of which are drilling in various corners of the world.

While Ben Odeco has not been particularly profitable during the recession, it has survived and enabled Ben Line to build up its own drilling expertise. Consequently, when two semi-submersible drilling rigs came up for sale in 1977 Ben Line decided to buy them on its own account.

Earlier this month, Ben Line increased its commitment to the offshore market with the purchase of an $18m drillship, the Fredericksburg, from Atwood Oceanics of Houston. Its current drilling contract, which will continue until May, 1981, is not particularly profitable at around $18,500 per day. But once the rig is recontracted, Peter de Vink of Edinburgh Financial and General Holdings, who masterminded the deal, believes that the rig could earn close to $30,000 per day. Not so long ago drillships of this type could not find employment at rates of $13,000 per day.

The two major independent British groups left in the market—Ben Odeco/Ben Line and Kingsworth—own between them eight offshore drilling rigs out of a world total of 440. With the cost of building new semi-submersible drilling rigs around $60m and drillships around $36m, the cost of getting established in the offshore drilling market is now beyond most British companies' means.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1978							
4th qtr.	110.4	103.3	103	111.7	273.0	1,340	230
1979							
1st qtr.	109.7	102.2	102	110.1	276.5	1,351	234
2nd qtr.	115.3	107.6	102	116.6	297.5	1,299	250
3rd qtr.	113.2	103.1	102	109.9	300.6	1,269	247
4th qtr.	112.7	103.8		112.4	314.8	1,286	230
August	112.0	101.6	102	111.4	304.4	1,265	246
Sept.	111.3	100.4	101	109.8	302.4	1,264	243
Oct.	112.2	103.0	101	111.3	309.6	1,282	237
Nov.	114.0	105.4		113.6	317.5	1,282	234
Dec.	111.9	103.1		112.4	316.9	1,294	219
1980							
Jan.						1,339	207

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
4th qtr.	106.1	97.4	124.0	97.3	99.0	102.4	20.2
1979							
1st qtr.	105.5	99.0	126.5	98.5	98.6	99.1	12.9
2nd qtr.	109.1	103.2	133.7	102.9	110.6	103.6	21.5
3rd qtr.	105.6	95.7	132.8	94.8	104.9	100.7	20.7
4th qtr.	105.4	99.3	130.3	98.1	98.3	96.9	18.2
August	105.0	94.0	131.0	93.0	93.0	99.0	18.3
Sept.	104.0	92.0	131.0	89.0	107.0	103.0	21.2
Oct.	104.0	97.0	131.0	96.0	100.0	98.0	20.9
Nov.	107.0	101.0	132.0	100.0	100.0	97.0	19.2
Dec.	105.0	99.0	128.0	98.0	95.0	95.0	14.7

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£bn); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
4th qtr.	123.9	112.9	−0.039	+0.614	−480	106.9	15.77
1979							
1st qtr.	109.4	117.2	−1.610	−1.238	−234	108.0	16.78
2nd qtr.	136.7	131.4	−0.682	−0.575	−227	107.9	21.69
3rd qtr.	132.3	129.5	−0.406	−0.220	−166	108.5	23.18
4th qtr.	132.8	129.1	−0.535	−0.385	−177	106.1	22.54
Sept.	132.0	129.3	−0.185	−0.123	+ 8	107.1	22.75
Oct.	128.6	134.1	−0.418	−0.368	− 85	106.4	22.49
Nov.	133.7	125.0	−0.045	+0.005	− 12	106.1	22.42
Dec.	136.1	128.1	−0.072	−0.022	−104	105.7	22.72
1980							
Jan.							23.71

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1978							
4th qtr.	14.9	11.9	8.6	+1,774	878	1,584	12½
1979							
1st qtr.	7.6	9.3	32.6	+1,524	777	1,581	13
2nd qtr.	9.7	17.2	28.5	+2,705	777	1,867	14
3rd qtr.	11.5	9.9	13.2	+2,414	933	1,879	14
4th qtr.	4.6	12.1	16.2	+3,040	839	1,953	17
Sept.	11.5	9.9	13.2	+ 925	411	616	14
Oct.	15.7	15.1	14.6	+1,550	544	663	14
Nov.	6.3	13.1	19.1	+1,257	134	698	17
Dec.	4.6	12.1	16.2	+ 253	161	592	17
1980							
Jan.					235		17

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.83	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.1	169.9	176.4	231.1	231.9	301.86	71.0
4th qtr.		182.1	183.1	237.6	237.2	295.13	68.8
August	153.3	169.1	176.3	230.9	231.8	290.04	71.4
Sept.	153.6	172.5	178.2	233.2	232.6	301.66	69.8
Oct.	158.1	178.1	180.3	235.6	234.8	291.34	68.4
Nov.	162.2	186.0	181.6	237.7	237.0	297.22	68.4
Dec.		187.4	183.3	239.4	239.9	295.13	69.7
1980							
Jan.		193.3	187.9			308.69	71.3

*Not seasonally adjusted.

APPOINTMENTS

Operations director for Rank Xerox (UK)

Mr. David Harris has been appointed director of operations for RANK XEROX (UK) succeeding Mr. Graham Clark, who has become managing director. Mr. Harris was previously regional manager of the company's southern region.

★

Mr. Stephen H. Jones, business editor of the Economist, is to take over as editor of FINANCIAL WEEKLY on March 1.

★

Mr. G. A. M. Ormiston has been appointed an associate director of KIRKLAND-WHITTAKER (STERLING BROKERS).

★

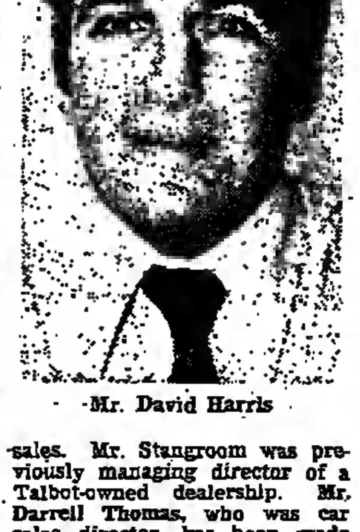
Mr. A. J. Lindsay has been appointed chief executive of the carpets division of GUTHRIE INTERNATIONAL in succession to Mr. A. W. Easter, who has resigned for personal reasons. Mr. Lindsay joined Guthrie in 1970 and has been managing director of Woodward Grosvenor, a component company of Guthrie's carpet division, for the last three years.

★

Mr. Anthony G. Stanton has been appointed managing director of CORY DISTRIBUTION. He was previously personnel director of Ocean Cory and he remains on that Board. Mr. Philip Foster has become business development manager at Cory Distribution and Mr. Alan Major is now sales consultant for Corybond.

★

Mr. Bryan Hatter has been appointed director, car field operations, at TALBOT with responsibility for all car sales through regional and district field operations. He has been succeeded by Mr. Roger Stangroom as director, car fleet sales. Mr. Stangroom was previously managing director of a Talbot-owned dealership. Mr. Darrell Thomas, who was car sales director, has been made director, franchising. Mr. Douglas H. Pittaway becomes manager, dealer operations consultancy. The four executives report to Mr. Roger W. Johnson, director, car sales.



Mr. David Harris

★

Mr. R. C. Cox has been appointed managing director of Clarke Homes (Southern), Clarke Homes (South Western) and Clarke Homes (South Eastern), members of the CLARKE GROUP, Burton-on-Trent.

★

Mr. Bernard Birchall has been appointed by WOODBANK ELECTRICAL COMPANY as director responsible for company administration and Mr. John Steward has become technical director.

★

Mr. Derek Oram has been appointed managing director of FRY'S DIECASTINGS and Mr. John Weller becomes financial director. Mr. Denis Barrington retains his position as company secretary and has been made administration director. Mr. Oram was previously deputy managing director of Dowty Meco and Mr. Weller was with GEC Overseas Services. Fry's Diecastings is a subsidiary of Lead Industries Group.

★

Mr. R. V. Stroud, previously deputy chairman of STROUD RILEY DRUMMOND, has been appointed non-executive chairman. He succeeds Mr. J. A. Selka, who has relinquished the chairmanship but remains a non-executive director. Mr. S. M. Simmonds has been made deputy chairman and as group chief executive has taken over direct responsibility for the James Drummond and Sons subsidiary in place of Mr. W. P. Ward, who is leaving the company. Mr. D. J. Restrick has joined the Board as a non-executive director, replacing Mr. G. Meredith who is retiring.

★

Mr. Ian Fowlds has been appointed director of ANGLIA FORWARDING (STRATFORD).

★

Mr. Richard Savage has been appointed director of personnel at QUAKER OATS. He joins the company from Cadbury Schweppes.

★

Mr. A. G. Kennedy, managing director travel, THOMAS COOK GROUP, has been elected to the Board of THOMAS COOK BANKERS. Mr. D. R. Chapman, managing director Thomas Cook Bankers has joined the Board of the Thomas Cook Group.

★

Mr. P. C. Venus has been appointed a director of HOWSON DEVITT (LIFE AND PENSION BROKERS), a member of the Devitt Langton and Dawnay Day Group.

★

Mr. Dennis M. Mannion has been appointed president of DOCUMENTATION WORLD TRADE CORPORATION, of Esher, Surrey, and Mr. Derek Thompson has become director of country operations.

★

Mr. J. R. Clark has been appointed to the Board of PENTOS.

★

Mr. Paul A. J. Kinnaird has joined DOWTY MECO as production director.

★

Mr. Robert Worley has been appointed assistant director of the CITY COMMUNICATIONS CENTRE, succeeding Mr. Colin Williams who became the Centre's executive director in September last year. Mr. Worley joins the Centre from Shandwick PR Company.

BASE LENDING RATES

A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
American Express Bk.	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½%
A P Banks Ltd.	17 %	Keyser Ullmann	17 %
■ Arbuthnot Latham	17 %	Knowsley & Co. Ltd.	18½%
Associates Cap. Corp.	17 %	Langris Trust Ltd.	17 %
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	18 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½%
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Wintrust Secs. Ltd.	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	18½%		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 15%. 1-month deposits 15¼%.

† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.

‡ Call deposits over £1,000 15%.

§ Demand deposits 15%.

Drive to cut abuse in benefits system

BY ROBIN PAULEY

A FURTHER drive to reduce frand and abuse in the benefits systeu was announced yesterday by Mr. Reg Prentice, Social Security Minister, who claimed the net saving in 1980-81 would be £50m.

The scbeme involves employing 1,000 more specialists incinding 100 more special investigators.

"At a time when the Government is generally cutting back on civil servants we shall be engaging more at an extra cost of £3m. Bnt they will save £53m so the net saving of £50m pays their salaries many times over," Mr. Prentice aaid. "I bope an additional saving will come from the deterrent factor of increased inquiries," be added.

He said the proportion of frauds compared with the overall total of benefit was small, but the system was so large that a small proportion was big money. If only 1 per cent of claims were fraudulent the loss to the taxpayer would be £200m.

"At a time of redneed public expenditure it is particularly intolerable that money is beiog dishonestly diverted from hetping those in genuine need," Mr. Preotice said.

The campaigo will have three main targets:

- Fraud, including working while claiming benefit, giro-cheque and order book frauds and making false claims of income or circumstances.
- Volnntary unemployment, wbere people remain on benefit wben suitable employment is available.
- Liable relatives, most of these cases of which involved people abandoning their family responsihilities to the State instead of paying their share of maintenance.

A department survey showed the average fraud to iovolve £300 ranging from £10 for a lost giro to £30,000 or more.

The campaign signifies a major switcb in emphasis from prosecuting offeoders to trying to prevent abuse and save the money. This new policy reflects the realisation that the greater the number of prosecutions the greater the toss of money.

Mr. Prentice agreed that it was difficult to quantify either the scale of fraud or the saving. The £50m net hoped for was hased on projections from the amouots recovered by the present over-worked staff.

Pronf that considerable fraud aod ahuse was taking place was given in a West Midlands pilot study at the end of last year. In 60 per cent of the cases, the investigation resulted in the henefit no longer being claimed and in a further 7 per cent the amount of henefit was reduced.

Mr. Prentice also said that 40 per cent of unemployment benefit recipients left the books when they received a letter asking them to attend a follow-up interview.

The Minister said there must he a clear distinction hetween scroungers and geouine claimants to create a hetter atmosphere in which people would not feel it was undignified to make a claim.

The £1.5bn cost of marrying in Britain

BY LISA WOOD

TYING the nuptial knot in Britain is an expensive business. Wedding guests alone last year mnnched their way through an estimated £149m of food at receptions, according to a survey published yesterday.

The survey, of 1,050 couples who were married in the 12 months np to February of this year, was conducted hy Wedding Day aod First Home, a hridal magazinc.

The magazine estimated that the 380,000 couples who married duriog the period spent approximately £1.5bn on their marriages. The average cost of a wedding ceremony was £1,314.

In 1979-80 Mr. Average and his hride spent £312 on their honeymoon, £2,265 on items for their bome and £1,119 on a car.

But some spent more. The highest price paid for a wedding dress was £2,000 while the most spent on flowers was £400. While some spent £3,000 on an engagement ring, others managed to buy one for as little as £1.

According to the survey 92 per ceot of the sample were maried io while although all those interviewed in Wales and Ulster wore the traditiooal dress. Men in North East Scotland spent most on their clothes—£120—although the average British male spent £85 on bis wedding attire.

The majority of the sample was saviog towards getting married and a huilding society was the favoored form of investment.

But wbile some planned to have only £40 saved hy the time they got married, the average sum was £2,185. One coople claimed to have saved £40,000 and a lucky 5 per cent of the sample planned to huy a bome outright.

Living at home with parents after marriage was very unpopular—only 1 per cent of the sample planoed to do this.

But while settiog np bome can he expensive—at the top end of the scale conples speot £500 on a bed and £1,000 on curtains—it can he managed a lot cheaper—£5 for a bed and £5 for curtains.

TV project for Fidelity Radio

By John Lloyd

FIDELITY RADIO, the UK's sole producer of radios for the mass market is to start manufacturing black and white portable televislons in Juoe.

The compaoy will produce about 70,000 low-priced models in the first year, and more than 100,000 units in the second. It will introduce a second, more expensive remote control model.

The growing black and white portable market is about 1.4m units a year with manufacturers like Thorn, Rank, Pye and Philips accounting for between 40 and 50 per cent. Japanese imports make up much of the remainder.

Mr. Jack Dickman chairman of Fidelity, believes the company's design is simpler and more reliable than other sets on the market. The investment in the set will be modest—less than £200,000—because Fidelity will make the set largely oo existing automated assembly lines.

Trade estimates last year show sales of black and white sets at about 1.4m compared with 1.1m units the previous year.

Pirelli says new tyre can cut average petrol bill by 4%

BY JOHN GRIFFITHS

PIRELLI is to launch a new tyre which it says could lead to a 4m tons a year cut in Europe's annual oil import bill.

The P8 tyre is said to reduce rolling resistance by about 20 per cent compared with the best of the current generation of steel-belted radial tyres aod hy about 40 per cent compared with the fast-disappearing cross-ply. This, says Pirelli, should cut the average motorist's fuel bill by 4 per cent.

Two car manufacturers, one Italian the other Swedish, will unveil models fitted with P8s in the next few weeks.

A oumber of European car makers are testing the P8 and Pirelli has also been talking to UK manufacturers. As it is unsuitable for cars not specifically designed around it, it is not heing offered to car manufacturers for current models.

The P8 is a 65 per cent aspect (height to width) ratio steel and nylon helted radial for which slightly wider than standard rims are required. Fuel-saving is achieved partly because of its shape, although Pirelli says 50 per cent of the improvement is due to new tread compouod materials.

While the concept is oot new, to date it has been applied mainly to higher-performance vehicles. The P8, however, is aimed at the volume market.

Pirelli is unlikely to be alone io this market for long as other tyre manufacturers have followed a similar development route. This type of tyre is expected to be in widespread use hy the mid-1980s.

Hi-fi buyers switch to 'separates'

By John Lloyd

FASHION in the audio market appears to be swinging away from the music centre hack to separate pieces of hi-fi equipment.

Pre-Christmas sales were down on the same period in 1978, and stocks are now building up at shops in an "alarming" way, according to the British Radio Equipment Manufacturers Association.

UK manufacturers have held hack on the production of music centres, but imports continue to flood in. Most importers are now cutting orders in anticipation that the market will remain flat, at best.

Imports account for 60 per cent of the UK music centre market of which more than 80 per cent comes from the Far East, mainly Japan and less than 20 per cent from Europe.

The proportion of the "separates" market taken by imports is even higher, though there are problems of definition. The newest equipment on the market is known as "separate music centres," where the equipment is desigoed as separate boxes hut interconoected.

Henley Centre forecasts 20% inflation

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A PESSIMISTIC view of short-term inflation prospects is preaented hy Henley Centre for Forecasting in its latest monthly projections.

The centre estimates that the 12-month retail price inflation rate — currently 17.2 per cent —will rise to 20 per cent in the second quarter and will still be more than 16 per cent at the end of this year.

The annual average inflation rate for 1980-85 is expected to be 12 per cent.

The centre has raised its forecasts, hecause it now expects a 17 per cent iocrease in employers' pay billa this year.

Barclays Bank's latest quarterly review compares similarities between the UK economy in 1974-75 and oow.

In the earlier period the world inflation rate peaked in the first quarter of 1974; it now seems likely to occur in early 1980.

In contrast, bowever, the UK departed from the world inflationary cycle in 1974 as price rises accelerated until well into 1975.

Several factors suggest that, now, inflation can he checked.

Barclays says: "Although we are entering a critical period as far as inflation prospects are concerned, there are grouods for hope, indeed belief, that the inflatioo rate is nearing its peak in the UK, as io other industrialised countries. For the UK, 1980 may be the year when history does not repeat itself."

Honda and Lotus announce new cars

NEW CARS were announced yesterday by Honda and Lotus, while Toyota launched in the UK a substantially revised version of its Carina medium saloon, writes John Griffiths.

The Honda, a small four-door hatchback named Quint, goes on sale in Japan on Friday and is due for markets other than the U.S. later this year. It has front-wheel drive and a 1600 cc engine.

Hooda says it is differeot from the Bounty model BL is to produce in 1981 in a co-operation deal with Honda.

The new Lotus, fastest built by Colin Chapman's Norwich company, is the Esprit Turbo.

The first 100 are heing produced as a commemorative model marking Lotu's association with Essex Petroleum, a Monte Carlo oil hrokerage concern whose financial support of Lotus racing is widely estimated to he $4m.

The Esprit, described as having 150 mph performaoce, is substantially different from previous Esprit models, having a new chassis and suspension system and revised body aerodynamics with the turbocharged 210 hhp eogioe. It is priced in the UK at £20,900.

- Reoault is raising its car prices in the UK by an average of 3.8 per cent from March 3. It was secood after Datsun in size of imports last year.

INVESTMENT IN ELECTRONIC CONSUMER GOODS

Japan's support needed

BY JOHN LLOYD

THE CENTRAL importance of tbe Japaoese electronics companies to the UK has been heavily underscored by the latest report from the electronic consumer goods sector working party of the National Economic Development Office.

The working party recommends that Japanese manufacturers should be discouraged from exporting goods to tbe UK in the quantities they do, but encouraged to manufacture these goods in the UK.

It says that voluntary restraint agreements between the UK and a number of Far Eastern conntries — notably Japan — sbould be maintained and strengthened and that the European Commission should also impose voluntary restraint at European level.

However, it simultaneously leaves the door open to those manufacturers prepared to make further investments in the UK and suggests they might invest in component production.

Five Japanese companies are presently active bere: Hitachi and Tnshiha, wbo bave formed joint ventures witb GEC and Rank respectively to produce cnlour TVs: Sony, Matsushita and Mitsubishi.

There are problems in Europe with both the availability and quality of a range of componeots used in TV manufacture, including integrated circuits, power transistors, power diodes, switches and small-screen cathode ray tubes.

At the same time, components from Far Eastern countries tend to be of lower quality than those used by Japan. Japanese companies are usually vertically integrated aod thus quality is more easily controlled. The working party thinks the same system sbould be developed in Britain.

The report believes bome entertainment-information systems of the future will he increasingly micro-processor-based and will includes video tape and disc players, viewdata inpnts, video games, fascimile devices, memory stores and keyboards.

It points out that the French are investing in video receivers linked to telephones, with the aim of installing one in every home in the next five years,and that the West Germans, Canadians, Japanese and French are all experimenting with wide-band cable TV networks.

In view of this, the working party believes the Government and the Post Office should carry out some unfashionable intervention, and provide a similar sort of infrastructure. It suggests a National cable TV network using optical fibres, developing educational software for use in schools and for export, aod teaching basic computer training lo schools.

Another problem is that the companies whicb bave the tecbnology do not necessarily bave mass-production facilities or rental-retail ontlets.

The report says the working party will be exploriog the possibilities of producing these devices at internationally competitive prices.

Will UK industry respond to these calls? There are grounds for optimism. Thorn has introduced a new, simplified cbassis whicb bas commanded the respect of Japanese competitors.

All the Japanese companies with their own plants are expanding, especially Sony. Among the weaker companies, the Decca TV plant is abont to be taken over by someone (a joint Binatone/South Korean bid still seems likely, wbetber Racal or GEC takes the bulk of the company).

And the development of the Prestel information service still gives UK companies a lead, if they waot to use it. In short, the patient is improving, though the next bulletin will be awaited with apprebension.

Monetarism 'is the only real hope'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

DESPITE present difficulties the Government will persist in its firm monetary policies to overcome inflation and reduce excessive government spending, taxation and intervention, Lord Cockfield, Minister of State at the Treasury, told the Lords last night.

"However hard and stony the road may be the Government's policy does offer real hope for the future," he said. "There is no alternative policy which could offer that hope or indeed any hope at all."

Freddie Mansfield

COCKFIELD: Hard and stony road.

He was replying to an attack on the Government's policy from Lord Kaldor, the Labour peer, who was one of the economic advisors to the Wilson Government.

Lrd Kaldor initiated a debate on the Government's industrial, financial and monetary policies and their effect on economic growth, standard of living, employment and defence.

Replying for the Government Lord Cockfield declared: "We believe that the absolute precondition of success in fighting inflation lies in firm monetary and financial policy. Without it, all else fails."

He said that Lord Kaldor seemed to think that monetary policy should have an immediate effect. But this was not so. There was a considerable time lag between changes in the rate of money supply and in the rate of inflation.

He also accused Lord Kaldor of ignoring other factors such as output and productivity and changes in the velocity of the circulation of money.

"We don't believe we have found in monetary theory a philsophers stone which will turn all to gold," said Lord Cockfield. "We do say that control of the money supply provides the best means and the most reliable so far discovered of combating inflation in a free society."

It was the only method which reconciled individual choice and freedom with stability.

"If people insist on being irresponsible then they will harm themselves," he warned. "If employers concede excessive wage demands they do so at the expense of their profits and the risk of insolvency. If workers secure excessive wage demands they do so at the expense of their jobs and other people's jobs.

"The wages of irresponsibility are low profit, insolvency and unemployment."

Lord Cockfield recalled that suggestions had been put forward for the establishment of a new national economic forum to thrash out how much could be afforded in wages and salaries. But the Government seriously doubted whether there was room for the creation of such an additional body. He indicated that the Government would prefer further discussions to be centred on the National Economic Development Council.

He also stressed that the Government was still opposed to an incomes policy. In the past these policies had one thing in common — they had all failed.

From the Labour backbenches Lord Kaldor said that the advent of the present Government marked a break with the past which was little short of a revolution. The money supply, virtually an unknown quantity throughout the postwar period, had come to occupy the centre of the stage. It was endowed with an almost mystical importance by present Ministers.

"The grave danger is that the Government will fail completely in their chief objectives on account of the naivety of their beliefs," he said.

The present situation was consistent with money supply playing a passive role, he argued.

"Why have a target rate of growth of money supply at all?" he asked with irony. "Why not have a zero target or even a negative one?"

He predicted that the policy would lead to a progressive deterioration in the economic situation and in the capacity of the nation to produce weapons for its own defence.

"The sooner the Government is brave enough and manly enough to do a necessary U-turn the better our future," said Lord Kaldor.

For the Liberals, Lord Rochester saw the need for a broad all-party approach to Britain's economic difficulties.

"There is a need for elements in all political parties to come together and tackle our problems," he said.

"To judge from the response to the recent lecture by Roy Jenkins, that is also the message that the British people are trying hard to get across to us. I hope that we shall bear it and act on it in time."

Viscount Amory, the former Conservative Chancellor of the Exchequer, supported the Government's intention to introduce trade union reform. He also supported the Government in wanting to curtail the proportion of the gross national product which went on non-wealth creation, and in trying to cut back detailed state interventions.

Ashley Ashwood

KALDOR: Calls for "manly" U-turns.

More water workers turn against offer

BY PHILIP BASSETT, LABOUR STAFF

WATER WORKERS in two more unions in the supply and sewerage industry are now also voting to reject the employers' 19.2 per cent pay package following the unexpected decision earlier this week to throw out the offer by the majority union, the General and Municipal Workers'.

Both the Transport and General Workers' Union and the National Union of Public Employees hav ebeen testing membership feeling on the offer, mainly in branch ballots, since agreeing to recommend its acceptance.

First returns to both unions on votes cast before the GMWU delegates decided to reject the package were showing acceptance. Yet the GMWU decision particularly since it comes from a traditionally moderate union, has shifted opinion in the water depots.

Voting in the TGWU ballot was running about 50-50 on early returns, but decisions since the GMWU delegates' conference have nearly all been heavily against acceptance. The NUPE ballot is also thought to be showing similar results now after early indications of acceptance.

Full results of both consultations will not be officially known until February 20, five days before the strike date set by the GMWU delegates.

The apparent swing against the offer by the other two unions will compound the difficulties now facing the employers' body, the National Water Council, particularly since it urged the GMWU to ballot its members on the package following the delegates' rejection.

The council is still hoping to hold talks on pay with the unions before the end of the week.

The three unions—GMWU, TGWU and NUPE—and the Confederation of Health Service Employees, have, however, all accepted a 13 per cent pay package for 250,000 National Health Service ancillary workers following consultations with union members.

In particular, COHSE said yesterday that its voting had shown a 9-1 majority in favour of accepting the deal. Mr. Charlie Donnet, GMWU national officer, said the acceptance of the offer would spare a repeat of last year's industrial action by the ancillary workers.

The deal gives increases averaging 11.9 per cent on pay, with further increases in April from the Clegg comparability commission. Workers on the lowest pay band will move from £47.28 to £53.07 and then to £54.45 in April, and those on the highest from £61.82 to £69.81 and then to £75.17 in April. The deal also improves holidays and shift as well as other payments.

A similar package covering 17,000 ambulance staff also seems likely to be accepted, although the final result of balloting will not be fully clear for some days.

Hospital staff threaten action

BY GARETH GRIFFITHS, LABOUR STAFF

HOSPITAL laboratory technicians in several areas are expected to withdraw emergency cover at night for blood transfusions and pathology work, to protest against the Government's decision to forbid local pay agreements.

Health service unions last month opted for local rather than national pay negotiating machinery for 16,000 staff. However, Mr. Patrick Jenkin, Social Services Secretary, last week told local authorities not to reach separate agreements but to provide a standard rate for on-call payments.

The Association of Scientific, Technical and Managerial Staffs, the main union, yesterday said it would back the local action. Mr. Reg Bird, an ASTMS national officer, said the dispute would particularly affect the East Midlands.

There were indications the withdrawal of emergency cover would also hit daytime work.

Mr. Bird said local on-call agreements had been reached with between one-third and one-half of authorities. Rates ranged up to £11 for an on-call payment and authorities had showed they were willing to pay.

The Department of Health and Social Security rate has been fixed at £5 for on-call and £5.40 for call-out allowance. The DHSS said only 12 authorities had reached local arrangements. The main effect of the ASTMS action would be to create more work for other health service staff.

The other three unions involved in the dispute—the National and Local Government Officers' Association, the National Union of Public Employees, and the Confederation of Health Service Employees — have yet to decide what action to take. NALGO is to continue limited industrial action by refusing to provide emergency call-out rosters.

Oil wealth 'does not' affect EEC budget row

By Ivor Owen

BRITAIN'S case for a substantial reduction in the size of her net contribution to the EEC budget is not weakened by the growing wealth being derived from North Sea Oil, Sir Ian Gilmour, the Lord Privy Seal, insisted in the Commons yesterday.

He maintained that M. Rene Monory, the French Economics Minister, had been "seriously misled" when he expressed a contrary view earlier in the week.

"We shall seek to correct him," Sir Ian promised. But he clearly failed to dispel the growing doubts among many MPs about the likelihood of the Government attaining the objective of "broad balance" between Britain's EEC payments and receipts, set by the Prime Minister before the November summit in Dublin.

Even so, Mr. Jonathan Aitken, (C Thanet E.) seemed to upset some of his colleagues on the Tory benches when he suggested that it might be wiser, in view of the intransigence being shown by the French and German Governments if Ministers started to reduce expectations in Britain about the possibilities of a cut of £1bn being secured.

There was ironic laughter when Sir Ian replied: "I don't think you are right to say that the French and German Governments have been more intransigent than was expected."

Pressed to say whether the Government still held to the objective of "broad balance" Sir Ian explained that this phrase had led to wide misunderstanding.

As a result, the Prime Minister announced after the Dublin meeting that Britain had agreed to seek a "genuine compromise."

Sir Ian sidestepped suggestions that, in the event of failure, to settle the budget controversy, Britain would start to withold VAT payments from the Community.

He emphasised: "We are intent on finding a solution. We have not properly considered any measures that might be taken if we did not reach a solution."

More election observers will go to Rhodesia

BY IVOR OWEN

IN A bid to underline the fact that secrecy of the Rhodesian ballot affords the most effective counter to intimidation Britain is to reinforce the team of observers—probably by another 500—assigned for duty in the polling stations in rural areas when voting takes place in the country's general election.

The additional personnel, expected to be drawn largely from the ranks of police and local government officials with expertise in electoral procedures, will be flown out to Salisbury in the course of the next few days.

Sir Ian Gilmour, the Lord Privy Seal and Deputy Foreign Secretary, told the Commons yesterday that their task would be "to be present in polling stations in rural areas to ensure that the arrangements for voting are scrupulously fair."

While intimidation was condemned from both sides of the House, Mr. Peter Shore, Labour's shadow Foreign Secretary, emphasised the growing concern that the advice which Lord Soames, the Governor, and his British staff were getting from the Rhodesian civil and military authorities was "strongly biased."

He acknowledged that the Governor and his staff were doing their best in a difficult situation, but they not only had to be fair but had to be seen to be fair.

"That is not so easy," said Mr. Shore.

He asked who would advise the Governor which areas to choose should he decide to exercise his recently assumed powers to suspend elections in any area where systematic intimidation made it impossible for a fair election to be held.

Sir Ian replied that there was no doubt at all that Lord Soames and his staff had done "a very remarkable job indeed," and was still doing so. They had been unfairly traduced in many quarters and he refused to accept that they were acting on biased advice.

The advice which the Governor had taken into account in enacting the Ordinance enabling him to suspend elections had come from the British election supervisors. "They are quite clear about what is going on in the areas which they visit," Sir Ian declared.

There were protests from the Government benches when Mr. Andrew Faulds (Lab., Warley E.) attacked the "open partisanship" of the Governor which, he said, had been the subject of comments in the British and foreign Press.

He suggested that the implications that the candidates of Mr. Robert Mugabe's ZANU-PF party might be banned would be seen as "British rigging of the election" in favour of Mr. Ian Smith.

Sir Ian retorted: "It is quite outrageous to suggest that the Governor is partisan."

Earlier Mr. Shore urged that Mr. Smith should be invited to join with other party leaders in publicly reaffirming his commitment to the outcome of the procedures agreed at the Lancaster House conference.

The former Rhodesia Prime Minister, he said, should withdraw his remarks about not accepting the election result if it went the way he disliked.

Mr. Shore also asked why the Governor had not been able to intervene to prevent proceedings being brought against Mr. Garfield Todd, another former premier of Southern Rhodesia, who was arrested on Saturday.

Sir Ian promised to draw the Governor's attention to the point made by Mr. Shore concerning Mr. Smith. Sir Ian revealed that Mr. Todd called on the Rhodesian Attorney-General on Tuesday and made a statement bringing to light circumstances which he had not previously disclosed to the police.

"The Rhodesian Attorney-General is considering in the light of the statement whether or not a prosecution should proceed."

School fee aid halved to £23m

By Michael Dixon, Education Correspondent

THE Government has halved the £46m it had planned to spend before the next general election in helping academically able children from lower-income families to attend fee-charging schools.

The cut was announced in the Commons early yesterday by Mr. Mark Carlisle, Secretary for Education, during the report stage of the Education Bill.

During its first year, 1981-1982, the scheme will cost about £3m and provide aid to 6,000 children. The corresponding figures for 1982-83 will be £8m and 10,000 pupils, and for 1983-84 £12m and 18,000 children.

So far, more than 430 independent schools have expressed interest in joining the scheme, including about 100 of the former semi-independent, direct-grant schools.

● EXPORT: Banks are to provide more funds for sterling export credits from their own resources, Mr. Cecil Parkinson, Trade Minister, announced yesterday. And more banks—all those recognised under the 1979 Banking Act—will be eligible to take part in syndicates providing sterling export credit, he said in a Commons written reply. Mr. Parkinson said the Government had been reviewing export credit arrangements and in future banks would provide sterling export credits entirely from their own resources. This would result in significant savings of public expenditure.

● SIXPENCE: The old sixpence is to be scrapped. The coin will cease to be legal tender after June 30, Mr. Nigel Lawson, Treasury Financial Secretary, said yesterday in a Commons written reply.

● SCHMIDT: Mrs. Margaret Thatcher will have talks at Downing Street with Herr Helmut Schmidt, the West German Chancellor, on March 28, a day or two before the Common Market summit in Brussels. Whitehall stressed that it was one in the regular six-monthly series.

● COAL: A coal industry research and development working party is to be reconvened on Wednesday, Mr. John Moore, Energy Under Secretary, announced in a Commons answer last night. Two years had passed since the report of the working party. "Progress since then on coal conversion and utilisation and on unconventional coal mining should now be reviewed and the way ahead re-assessed."

● LENDING: Further Government action to reduce the level of bank lending would not be justified at present, Mr. Nigel Lawson, Treasury Financial Secretary, said in a Commons written reply. The key to bringing down the rate of inflation was a progressive reduction in the rate of monetary growth, of which the growth of bank lending to the private sector was only one element, he said.

● DOCTORS: Legislation to give the Health Services Ombudsman power to investigate the clinical judgment of doctors is to be introduced by Mr. Jack Ashley (Lab., Stoke-on-Trent South).

Civil Service pay plan criticised

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT'S proposals for settling Civil Service pay this year were criticised yesterday by the Public Accounts Committee. The fixing of the cash limit for the service has been delayed until the results of an independent pay comparability report are known.

The committee's criticism follows that of the new Commons select committee on the Treasury and Civil Service, which reported on the Government's proposals last week.

The select committee's suggestions of altering the pay date for the service and increasing parliamentary control over Civil Service pay have prompted widespread criticism by both Whitehall officials and the Civil Service unions.

The Public Accounts Committee, in its fourth report for this parliamentary session, published yesterday, also stressed the "overriding importance" of parliamentary control. While it accepted the "unprecedented" suggestion to fix a cash limit rather than separate departmental figures, it said it would be "strongly opposed" to seeing provisions for pay in the main estimates reflecting only settlements which had already been agreed.

Such a move, the committee said, would throw away the valuable advances made in the control of public spending.

It would be preferable, the committee said, for full provision for pay and other elements of departmental expenditure to be made in the main estimates presented at the normal February date.

The committee's report also included a Civil Service Department memorandum which showed that overtime working accounts for about 5 per cent of the total provision for wages and salaries.

The amount of overtime worked in the service is not shown separately in the estimates nor published regularly, unlike overtime for manufacturing and other industries.

The amount worked, expressed as a percentage of permanent staff, ranges from none to 18.2 per cent in the Home Office—mainly because of prison work. Other high figures include the Stationery Office at 8.3 per cent, and Customs and Excise at 8 per cent.

The CSD normally advises all departments to avoid working overtime working.

Manpower Services to receive £30m less

By Gareth Griffiths, Labour Staff

THE GOVERNMENT yesterday told the Manpower Services Commission its budget will be cut by an additional £30m a year from 1981. The commission said it would mean that with existing planned reductions, annual expenditure by 1984 will be £200m less than forecast.

Sir Richard O'Brien, chairman of the Manpower Services Commission, told the House of Commons Select Committee on Employment last night that he had received news of the cuts from Mr. James Prior, Secretary for Employment, by letter. Mr. Prior had said the Government still believed in manpower policy and that the commission should concentrate on providing skilled manpower for the 1980s and support for the most vulnerable groups like the disabled and the young.

The Government was prepared to hold further meetings with the MSC over revisions in its four-year corporate plan.

The commission in its forecast has said the cuts mean "It will not be able to take as vigorous action as it would wish to deal with the problems created by rising unemployment."

The commission would continue to seek Government support for strengthening its activities as the pressures on them mounted and would emphasise that a significant part of the cost of its programmes could be offset by reductions in claims for unemployment benefit and the payment of taxes by unemployed people who were helped back to work.

Sir Richard told the committee the cuts had meant the commission was no longer able to provide adequate facilities for the long-term unemployed. It had cut long-term unemployment training places by 12,000 to 14,000. It would continue to honour its commitment to the youth opportunity programme but staff-intensive programmes had to be scrapped.

The Manpower Services Commission protested strongly to the Government over the proposed cuts at a meeting last Monday. It said that the Government's attitude was creating uncertainty and apprehension about employment policy.

In its four-year plan the commission is gloomy about the immediate employment outlook and suggests that the economy is moving into a new recessionary phase, possibly the most severe in the post-war era. Unemployment would move continually upward through 1981 on current predictions. The unemployed would stay on the register longer and youth unemployment could rise disproportionately.

Whitehall studies benefit payments through banks

BY ELINOR GOODMAN, LOBBY STAFF

DISCUSSIONS are taking place between Government departments over the practicality of involving the clearing banks in the payment of child benefits, and possibly other benefits, like pensions as well. An internal working paper is being drawn up which may be used as the basis for a consultative document.

Treasury Ministers are apparently attracted by the idea of paying such benefits into banks and saving accounts on a monthly basis as an alternative to the present system of weekly payment through the Post Office.

This would be broadly in line with the recommendations of Sir Derek Rayner, the joint-managing director of Marks and Spencer's, in his report on Whitehall efficiency, and could result in considerable cost savings.

According to one Department of Health estimate, £35m could be saved by altering the existing system for paying Social Security benefits.

Nevertheless, there are both practical and political objections to the change even though at this stage no Minister is suggesting that anyone should be forced to use a bank.

Within Westminster, a powerful lobby has already been mounted on behalf of sub-postmasters who claim that such a change could endanger their livelihood by killing off an important part of their business. Their case has been taken up by Tory backbenchers, over 70 of who have signed various motions pointing out the consequences of such a switch for rural post offices.

TUC seeks increases in old-age pensions

BY ERIC SHORT

THE TUC in the draft of its annual economic review is repeating its demand for substantial increases in old age pensions, child benefit allowances and other social security services.

The demands are for increases above the statutory minimum rises expected to be announced in the forthcoming Budget. The TUC has always maintained that the basic State pension level should be one-third of national average earnings for a single person and half of average earnings for a married couple.

National average earnings are now about £100 a week. Allowing for further rises—by the time of the next pension uprating in November—it is believed that the TUC is seeking a pension of £38 a week for a single person and £57 for a married couple. The present rates are £23.30 and £37.30.

Such a rise would cost around £3bn and lead to higher National Insurance contributions. The TUC has said that most of the increase should fall on the employer's contribution.

The TUC also maintains that the child benefit allowance should be the same amount as the National Insurance benefit for children. At present this is £5.70 a week for each child —due to rise in November— compared with the £4 a week child benefit allowance.

MPs to study trade problems

BY DAVID MARSH

CONCERN over the UK's worsening balance of trade in manufactured goods has prompted an all-party committee of MPs to start an inquiry to discover ways of improving Britain's export performance.

The select committee on industry and trade will make a report to Parliament in several months' time setting out reasons why Britain exports too little and imports too much, and making recommendations to improve matters.

The committee, which held its first hearings on the subject at the Commons yesterday, will be looking in particular at barriers to British exports set up by other countries, and exploring what the Government could do to lessen such obstacles.

Restraints

The committee heard a strong defence of free trading principles from representatives of the London-based Trade Policy Research Centre. Next week the committee will hear witnesses from the Export Credits Guarantee Department. Later it will call representatives from the Trade and Industry Ministries, as well as individual companies.

Mr. Hugh Corbet, director of the centre, told MPs that agreements on voluntary export restraints and cartel-like arrangements for ordering world trade violated the spirit of articles of the General Agreement on Tariffs and Trade.

He said agreements such as the voluntary limit on Japanese vehicle exports to the UK might provide initial benefits for the protected industry. But in the long run they would prevent it regaining competitiveness.

"If governments lose sight of their common interest in a stable environment for trade and allow the system to break down, then we will end up with a situation reminiscent of the 1930s."

It was not, however, quite clear whether a lecture on economic liberalism was what MPs wanted to hear. Mr. Ian Mikardo (Lab., Poplar) was more interested in hearing about specific instances of restraint agreements hindering British exports, but most of the examples being quoted by Mr. Corbet seemed to be working in the other direction.

Mr. Mikardo did however agree with Mr. Corbet that countries such as the U.S. sometimes abused anti-dumping legislation to bring in measures to restrict imports, and in general had too great an array of instruments to block unwanted inflows of goods.

Prof. Alasdair MacBean voiced the research centre's view that imports from developing countries often took more than their fair share of the blame for causing unemployment in manufacturing industries in the West.

Declining

Job displacement in industries such as textiles was caused to a much greater extent by competition from Japan and West Germany, and the developing countries were often net losers in the adjustment process.

Mr. Sidney Golt, also from the research centre, had the last word for MPs complaining about job losses in declining industries. He said nobody had complained when employees were forced out of the UK men's hat industry as a consequence of hat-wearing going out of fashion. They had all been assimilated into other industries, and he implied the textile workers would be as well.

Meccano workers accept deals

AIRFIX INDUSTRIES said yesterday that more than half the workforce of the Meccano factory in Liverpool, where a strong campaign is being waged against proposed closure, had now accepted offers of financial settlements.

These were proffered in letters sent to each of the 940 employees a fortnight ago. The company said yesterday that about 500 had now indicated acceptance, and the number was growing at the rate of 30 or 40 a day.

A joint union-management working party has been set up to investigate the possible sale of the Meccano factory and Liverpool City Council has commissioned financial consultants to study its viability.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● OFFICE EQUIPMENT

Fast and easy to use

SPURRED on by developments in micro-electronics which are benefiting competing technologies, Gestetner has completed the development of what the company believes to be the mostly highly automated duplicator so far built.

Faxil equipment has been made flexible and easy to use as well as clean in operation. Maintenance has been simplified and takes place at extended intervals. Thus, Gestetner asserts, it is ensuring that duplicating continues to be the least expensive form of copying.

The 1566—first of the Faxil series—is controlled to all extents and purposes by a single lever. Moving this switches on the machine, loads the first master, pre-inks and revolves the drum the correct number of times to obtain even ink distribution, feeds the paper and produces the copies. At the end of the run, the machine is shut down and re-programmed.

If the operator requires, he can at this point press a button which sets up a master ejection sequence in which the master is released and the stripping mechanism engaged. Three turns of the handle will clear the master from the ink system and deposit it in a cartridge with capacity for 35 used masters. France fixing bar is simultaneously positioned for the next master.

The original master can also be re-run or filed.

New is a jointless, glass-fibre reinforced Neoprene timing belt that the company describes as a lifetime component. A digital display counter, fingertip pressure print height adjuster and automatic ink volume control are provided, as are facilities for colour change.

This machine is being introduced in France and Britain at the present time. During March and April it will be launched in various other European countries and later in the U.S.

It can be used with any of the electronic scanners from the Gestetner range so that a customer can handle fine line, half and continuous tone printing.

It takes a few seconds to load a master and press the "go" lever. After that, the machine will turn out 150 copies a minute.

Gestetner is at Board Lane, Tottenham, London, N.17. Telephone 01-808 1050.

Copies and collates

COMPACTNESS is the hallmark of the Xerox 3450 copier which offers quality copying, collation, reduction and semi-automatic document handling.

Designed for the medium-volume user (from 7,000 copies per month), who requires high productivity, but has limited space for a copier, the 3450 can offer a complete duplicating service for a localised situation within large organisations, avoiding traditional hold-ups in the print room.

Xerox 3450 copies A4 documents at a rate of 30 per minute, while large documents are produced at a rate of nine per minute or 11 per minute if reduced. A3 documents, such as computer print-outs, can be printed size for size. The 3450 has two reduction modes: 72 per cent for reducing A3 to A4 and 62 per cent for special applications.

A refined image development system gives high quality copies from such diverse originals as half-tones and line drawings. Automatic density control ensures that copy quality remains consistent.

Document handling is speeded up by the 3450's semi-automatic document handler which accurately places originals on the platen for copying. The handler accepts originals from 8 inches by 10 inches to 14 inches by 18 inches, which is slightly larger than A3. Special originals such as bound documents or paste-ups are copied by raising the platen cover and positioning them by hand.

Integral in the 3450 is a 15-bin sorter that enables sets of A4 documents of up to 50 pages to be collated as rapidly as the copies are made. A special tray takes the copies made from larger documents while returning the original on a separate tray.

Up to 99 copies may be dialled and the 3450's micro-processor control incorporates a programme that gives complete job recall should a job be interrupted at any stage. The advanced diagnostics system aids productivity by indicating simple faults to the operator and assisting the service engineer in routine maintenance.

Two paper feed trays enable the easy switching from one stock to another of a different size and colour. The main tray holds 1,000 sheets of 80 gsm paper, while the top tray has a capacity of 100 sheets of A4 80 gsm or 15 sheets of A3 size paper. As with other Rank Xerox machines, the 3450 prints on a variety of materials other than plain, white stock.

● PROCESSING

Filters can be made faster

NEW PRIVATE company Process Scientific Innovations is able to offer facilities for making fine fibre filters by employing an injection moulding process which it claims is faster and can offer a higher quality product than the more usual vacuum forming technique.

An aqueous "solution" of the fibres is injected under pressure into a cavity tool and the liquid is forced away leaving a fibre element in which the fibre structure is such as to allow cheaper and larger microfibres to be employed, giving the same or better efficiencies than conventional products.

Standard products are not envisaged: the company proposes to make specific product runs for customers where the minimum volume would be about 1,000 units. A variety of filtration fibres and reinforcing resins can be used to suit the operating conditions.

Production rates over current vacuum formed filters can be significantly increased claims the company, reducing costs. A saving of up to 65 per cent of labour on fabricated paper types is possible.

Filtration efficiency is claimed to be very consistent and can be varied simply by altering the moulding pressure or by using alternative microfibres. For example, glass might be used for oil removal elements or separator elements for compressors and vacuum pumps, while cellulose or polyester could be employed for domestic water filters.

Filtration path length can be more than 25 mm with varying diameters and lengths in the usual cylindrical format. Lengths up to 500mm are not unusual.

An interesting technical feature is that an intimate support cylinder can be loaded into the cavity before pressure moulding takes place and therefore located anywhere within the element to give added strength and higher differential loading.

Filter efficiencies can be varied from 100 micron to one micron and below. Filters have been produced at an efficiency of 99.9999 per cent against 0.3 micron states PSI. The complete process is very flexible in terms of sizes, shapes and materials and it is claimed that customer needs can be satisfied exactly and "very cost effectively."

More from Mr. G. S. Hunter, Process Scientific Innovations, Industrial Estate, Bowburn, Durham DH6 5AD (0385 770550).

● DATA PROCESSING

Package and language guides

AS PART of an examination of microprocessor and micro-computer software, The National Computing Centre has just completed studies in two major areas, application packages and the availability of high level languages.

As a result of these studies, which included collecting and collating information from over 100 suppliers of microprocessor-based software, the Centre plans to publish comprehensive guides on the packages and languages later this year.

These studies showed that—despite a lot of criticism to the contrary—high level language compilers and interpreters are widely available. Information was collected on many languages and their different compilers. Fifteen major languages were identified and over 80 different application package types were defined, involving a total of 600 different product items. The most widely available packages were for accounting, order processing, addressing and mailing, and payroll.

Most of the software packages fall in the price range £500-£1,000, but some can cost as much as £3,000. Typically, hardware and software are being sold as a complete system, with hardware costs in the range of £5,000-£7,500. Some systems with large disc capacity can cost £12,500.

Most suppliers are prepared to tailor packages to individual requirements, and offer hardware and software maintenance and installation support. Typically, hardware maintenance is 11 per cent per annum of hardware cost. Software maintenance is less well defined, varying from none at all with the cheaper products, through to comprehensive support included in the price of the expensive products. Where a specific charge is made for software maintenance, it varies between 5 and 20 per cent of the software purchase price, and can also be affected if purchased together with the hardware. Installation support is of the order of two man-days, plus two days' training. Companies contributing to these studies have on average four or five support staff to provide software maintenance.

The National Computing Centre, Oxford Road, Manchester M1 7ED. 061 228 6333.

Spreading the use of micros

WITH A firm belief in the idea of spreading the use of microprocessors through "High Street" retail outlets, Comart, essentially a supplier of micro hardware until now, has signed up with CAP-CPP to market MicroCobol and a full range of associated applications packages for use on the Z-80 based Cromemco System 3, an American micro that Comart offers.

Recently, Comart acquired the Byte Shop chain of six retail outlets (making 20 altogether) and the new software move will mean that the company can offer complete systems from the shops rather than just hardware.

The "micro-shop" idea is hardly a couple of years old and there may now be about 100 altogether in the UK according to Comart managing director David Broad.

He believes that if they can offer good systems products with none of the formality of the "company approach," the enormous untapped small business market can be opened up.

He is convinced that many potential users will welcome the opportunity to browse in such a shop, find out about small computers, discuss their application (or their problems of comprehension), and end up with what they want.

Alternatively, says Broad, they can simply walk out of the shop — not so easy to do in other computer buying environments.

In any event, Cherterhouse Group has seen fit to evidence £200,000 to Comart to buy Byte Shop, which was ailing says Broad, not because the idea was bad, but because the choice of hardware was too wide and the systems support limited.

More from P.O. Box 2, St. Neots, Huntingdon, Cambs PE19 4NY (0480 215005).

● SHIPPING

High speed vessel

FORMER CHIEF designer to the Royal Norwegian Navy, Capt. Harald Henriksen, has created a new type of high-speed vessel which is to go into service between the Channel Islands and France early in May.

The jet-powered vessel is being built by Westamaran A/S of Mandal, Norway (a shipyard specialising in high-speed surface vessels for commercial and military use) and will join the fleet of two hydrofoils operated by Condor of Guernsey.

The Westamaran W100T is an asymmetrical catamaran with the hull curved on the outer sides and straight on the insides. It is constructed of aluminium and has an overall length of 31.73 metres, a breadth of 9.72 metres, and a draught when fully loaded of 1.70 metres.

It is powered by two Avco Lycoming TF 40S gas turbines, each turbine driving a Rocketdyne Powerjet 24 water jet through a reduction gear.

The vessel has neither propellers nor rudders and the water jets, which can be adjusted in any direction, are said to make it highly manoeuvrable even at very low speeds.

It has a top speed of 39 knots and a service speed of 37/38 knots and is designed to seat 260 passengers.

More information on 0481 23019.

● COMPONENTS

Ensures a tight fit

PLASTICS ARE replacing metal in the shim market, claims Du Pont (UK). These thin gasket-like slips are used to take up machinery tolerances and are now being made from Du Pont's Mylar polyester film, in a range of thicknesses and colours, by Hughes Shims and Gaskets.

It is further claimed that acceptance of plastics shims is growing due to the greater strengths of materials now available and because they can be colour-identified, thus eliminating errors in machine assembly. They have a longer service life than steel, do not corrode and, unlike steel, are not permanently distorted when bent. Stamping dies for use on polyester film are easier to produce than those for steel.

The plastics shims are stamped out on a 22-ton press and almost any profile can be produced. After purchase of the polyester film from Du Pont, Hughes has it colour-coated in 15 colours to identify thicknesses.

Hughes Shims and Gaskets is at 44 Littleton Road, Ashford, Middlesex TW15 1UQ (07842-44513).

Source of data

LATEST addition to the micro-filmed data files issued by Technical Indexes are those of Manufacturers' Standards Society of the U.S.

Subscribers can now purchase these regularly updated specifications and standards for £120 a year. They cover pipe flanges, valves, fittings, by-pass drains, pipe hangers, joints, butterfly valves, welding, brazing and other related information.

More from the company at Easthampstead Road, Bracknell, Berks. RG12 1NS (0344 26311).

● AVIATION

Powerful air crash tender

DEVELOPED BY Gloster Saro, a Hawker Siddeley company, following lengthy studies, the first operational Javelin airfield foam crash tender was put through its paces at Cardiff airport recently.

The new vehicle complies with the NFPA requirement for operational capability but also exceeds the ICAO recommendations on performance and power/weight ratio.

The chassis has been purpose-designed for crash tender applications and is not just a modified or uprated rough terrain chassis. It is a high powered, rear-engined design which can be operated for prolonged periods at its full power in any climate or country.

A notable characteristic of the vehicle is the low-slung centrally mounted fully automatic gearbox which also houses the torque converter, power take-off and transfer box in a single, readily accessible unit.

By installing torque converter, gearbox and power take-off away from the engine, the area above the chassis frame between the engine and rear face of the cab is left completely clear, enabling the water and foam tanks to be mounted low down, with a low overall centre of gravity and consequent excellent cornering and road holding characteristics.

The power take-off drive flange is located outside the chassis frame, enabling the fire pump to be mounted in a low outboard position, giving easy access for maintenance and ideal flooded suction conditions.

Water tank capacities up to 10,000 litres, and foam tank capacities up to 1,200 litres are available.

Hawker Siddeley Group, 32 Duke Street, St. James's, London SW1Y 6DG. 01-930 6177.

● HAND TOOLS

Electric chain saw

COMPLEMENTING ITS hitherto exclusively petrol-driven chain saw range is an electric chain model from Swedish maker AB Partner, available in the UK through C. D. Monninger, Overbury Road, London, N.15 (01-800 5435).

This lightweight, 1,200 watt saw (it weighs 5 kgs) is said to be ideal for a variety of medium-duty commercial and household jobs such as lopping branches, erecting fences, and even coarse woodworking.

THE MARKETING SCENE

BY MICHAEL THOMPSON-NOEL

Thumbs down for corrective ads

A Department of Trade working party wants to give the Director General of Fair Trading powers to apply for court injunctions as a speedy means of combating deceitful or misleading advertising. But it does not favour legally obliging advertisers to correct their mistakes.

ARGUABLY THE ONLY weak link in this week's otherwise lucid and accessible Department of Trade working party report on Britain's self-regulatory system of advertising control surfaces in its discussion of the case for legally enforced corrective advertising, although as weak links go, it can probably withstand an end of stress.

To recap, the report's main recommendation (FT, February 12), is that the self-regulatory control system governing print, cinema and poster media be strengthened by giving the Director General of Fair Trading powers to apply to the courts for an injunction to restrain misleading advertisements in cases where he considers that the Advertising Standards Authority is unable to act quickly enough, or not at all.

The working party, whose members were drawn from the Advertising Association, the ASA, the National Consumer Council, the Office of Fair Trading, the Home Office, the Lord Chancellor's Department and the Department of Trade, said it thought such a measure would "adequately reinforce the self-regulatory systems of control and meet the essential objectives of the EEC proposals on the control of advertising."

Failure to heed such an injunction would be a contempt of court and punishable as such, the penalty most commonly imposed being a fine. The working party said it was satisfied that "the remedy would be one of last resort and thus only sought in clear-cut cases." The law would require that advertisers did not publish any advertisement likely to deceive or mislead.

This would apply as much to advertising by Government departments as to the commercial sector, but not to categories of advertising which for reasons of freedom of expression are not already covered by the Code of Advertising Practice, "mainly those concerned with matters of political, religious or social controversy."

Among other recommendations, the working party suggests that the ASA develop its procedures for publishing details of complaints that are upheld; that advertising trade associations consider further the imposition of fines on members in order to enforce codes of practice; and that the OFT explore the creation of conciliation and arbitration schemes to secure redress for individual consumers.

The other options for strengthening the self-regulatory system were considered and discarded: statutory recognition of the voluntary codes of practice, an extension of the Trade Descriptions Act, 1968, and prohibition orders.

Another line of inquiry investigated and disposed of concerned legally imposed corrective advertising. On the other hand, the working party was agreed that "substantial benefits would accrue if the self-regulatory arrangements were to extend the ASA's present practices of publishing details of complaints which they have upheld in their monthly reports and of issuing ad hoc Press releases dealing with particularly important cases." It would further help, said the report, if the code was reviewed so as to extend the use of "disclosures and disclaimers" in advertisements.

But why not go the whole hog and introduce legally imposed corrective advertising?—that is, an insistence that advertisers publish, at their own expense, corrections of false or misleading statements in previously published ads.

"In theory," says the report, "corrective advertising seems an obvious, even attractive, sanction — fitting the punishment to the crime. But the development of corrective advertising in the U.S.," it adds, "has shown it to be difficult in practice."

Corrective advertising in the U.S. is the responsibility of the Federal Trade Commission, which can seek consent decrees or cease-and-desist orders.

Although there is a strong punishment element in corrective advertising, says the report, and it may therefore be a credible deterrent, its objective is righting the impression in the public mind created by false advertising. The FTC must show that the consumer believed the false claim; that the claim affected his purchasing decision; and that the false claim was still believed after the particular advertisment had been stopped.

Until 1975, FTC action in securing corrective ads was achieved with consent decrees. But in 1975 it resorted to a cease-and-desist order in a bid to force Warner Lambert, the maker of Listerine, to correct claims that Listerine would prevent or lessen the severity of colds or sore throats. The case was not resolved until November 1978 when the Supreme Court denied the company's petition for review. The company was then obliged to publish corrective advertising until it had spent a sum equal to the average annual product advertising budget for the ten-year period to March 1972, some $10m.

Another case involving American Home Products, makers of Anacin, is awaiting an appeal to the full FTC Commission. In 1973, the Amstar Corporation agreed to run corrective ads stating that Domino Sugar was neither a special nor unique source of strength or energy. However, since the corrective ads were not published, the FTC filed a compliance suit against the company and secured not only a violation penalty of $10,000 a day but an agreement to broadcast 24 corrective ads on two New York radio stations.

In quite a number of cases the FTC has been successfully challenged. According to the working party's report, U.S. experience suggests that it is difficult to estimate the overall damage to a consumer who has been exposed to false advertising, but that unless some reasonable estimate can be made, the financial penalty imposed on the offending advertiser can be disproportionately large.

Moreover, says the report, the legal compulsions it would be necessary to place on advertisers in this field would be inconsistent with, and would possibly destroy, existing self-regulatory arrangements. For this reason the working party was not convinced of the case for legally enforced corrective advertising.

There is another area in which the working party can see no cause for further legal intervention, and that is the matter of taste and morals in advertisements. The code of advertising practice already contains provisions for sanctions against advertisers who cause widespread or grave offence, and the report concludes that "any attempt to impose further legal restraints in this area would raise difficult problems of legal policy and definition, and that external control would inevitably raise the spectre of censorship."

It adds: "There was also the danger that any attempt to impose more stringent control in this area upon advertisements alone would cause resentment in the advertising business, which considers that in matters of public decency the standards of advertisements are already substantially higher than those of much of the editorial content of newspapers and magazines (and of many of the feature films) in the context of which advertisements are seen."

All in all, the report is unlikely to create the slightest departmental headache for Mrs. Sally Oppenheim, the Conservative Minister for Consumer Affairs, when she comes to consider her response in due course.

Bearing in mind that the working party's labours followed the strident but ultimately anaemic criticisms of advertising voiced 17 months ago by the then Secretary of State for Prices and Consumer Protection, Mr. Roy Hattersley, the advertising business can reflect that, for now, it appears to have satisfied everyone, from the Consumer Council to the OFT, the Department of Trade to the Lord Chancellor's Department, that the UK's existing self-regulatory system of advertising control is performing its task, and that the OFT's proposed right of injunction, plus technical improvements to ASA procedures, is as much fine tuning as it needs.

Saatchi slips 7% in latest MEAL totals

IS SAATCHI'S halo slipping? No sooner has it rushed to the No. 1 position in UK advertising than the Saatchi and Saatchi Garland Compton agency takes a 7 per cent fall in the latest table of gross advertising display expenditure compiled by Media Expenditure Analysis.

At £43.6m it is in third place, behind D'Arcy-MacManus and Masius, which claims back the top spot at £50.7m, and McCann-Erickson, at £45.2m. J. Walter Thompson, the long time brand leader, is ensconced in fourth.

Saatchi's MEAL-type performance is in very sharp contrast to its fortunes in the recent Campaign table for total agency billings in 1979, where it claimed a 22.5 per cent increase to £67.5m, ahead of all main rivals.

The latest MEAL table has caused sophisticated speculation in Adland, even though comparing MEAL with Campaign is a fruitless exercise.

Saatchi says the simple explanation for its current MEAL showing is that in the last quarter of 1979 it took the view that television ratings would recover only slowly from the ITV strike. It therefore held back TV money while switching more heavily than many of its rivals into other media. "Our view was absolutely right," said the agency yesterday. "The ratings look a long while to recover, whereas many of our rivals plunged heavily on TV."

That being so, the Saatchi MEAL figure can be expected to recover sharply in the current quarter. It was one of only three agencies in the current MEAL Top Ten to show a display expenditure decrease last year over 1978.

The biggest percentage increase (+40 per cent) was shown by Allen Brady and Marsh. Masius was 13.5 per cent up, Young and Rubicam 13.4 per cent up and JWT 4.4 per cent down. Ogilvy Benson and Mather showed a tiny percentage fall.

MEAL goes out of its way this week to explain and qualify its figures. Differences between Campaign billings and its own expenditure totals must be carefully interpreted, it says. "There may be differences due to the treatment of fee income, overseas expenditure and spending in specialist media. Arrangements between subsidiary companies, media specialists and central buying arrangements may also affect the results."

MEAL's agency figures are based on total spending, at rate card cost, of all brands attributed to an agency at the latest count. MEAL totals have only an imprecise relationship with grand billings totals, particularly as outdoor, cinema and radio advertising, trade and foreign media, and much local advertising are excluded.

MEAL's Top Ten Agencies, 1979

Rank Order at Dec. '79	Agency	Gross Display Expenditure in 12 Months to: Dec. '79 (£m)	Jun. '79 (£m)	Dec. '78 (£m)
1	D'Arcy-MacManus & Masius	50.7	46.6	44.7
2	McCann Erickson	45.2	43.5	42.9
3	Saatchi & Saatchi Garland Compton*	43.6	44.6	47.1
4	J. Walter Thompson	43.4	45.3	45.4
5	Collett Dickenson Pearce	34.1	31.0	30.2
6	Ogilvy Benson & Mather	31.5	32.0	31.7
7	Young & Rubicam	21.4	20.7	18.6
8	Ted Bates	21.3	23.1	21.2
9	Allen Brady & Marsh	19.9	17.9	14.2
10	Wasey Campbell-Ewald	18.2	18.9	17.4

* 1979 figures include Halls Advertising and Downton Advertising.

● BOASE MASSIMI Pollitt Univas, one of the fastest-growing agencies in the top 15, has won the £1m Daily Express account. It was previously with Collett Dickenson Pearce.

● McCARTHY PARRIS COURTICE Advertising of Southampton is handling the UK launch of Lenniz kitchen furniture for Fagor International of Spain. Fagor also manufactures kitchen electrical and gas appliances.

● MIKE GILMOUR has been appointed head of the Television Department at J. Walter Thompson.

● ASSOCIATED BISCUITS says it will consolidate its leadership in the £120m chocolate countline market with a £1m campaign for Club, its brand leader, and a strong test campaign in Trident and Granada for Trio. The company recently appointed Food Brokers to help build distribution through CTNs.

● KRAFT'S expansion in frozen foods is reflected in a 1980 media budget of £400,000 against £250,000 last year. Agency Foote Cone and Belding has booked space at 8,000 poster sites for a campaign to "convert the faggot from its West Country origins into a nationally popular dish."

● BONHAMS, the art dealers, has given Benton and Bowles three months' notice. Its planned media budget this year: £210,000. "We are talking to four or five agencies," says Bonhams. "They are smaller than B & B, but still full service. We do accept that we are not an easy account."

Product development: a prayer for profit

BY MICHAEL THOMPSON-NOEL

COMPANIES the world over, whatever their shape or size, pay fulsome lip service to the gospel of new product development. Some are brilliantly adept at forecasting and interpreting consumer needs, at developing the products people want, at the price they wish to pay, and then at bringing them to market, trumpeted by advertising and fostered, where appropriate, by the under-rated art of post-sales service.

Some of them, contrariwise, sit grimly still, defending mouldering positions or else leaping into battle with a prayer and a cry and a "new product" brainwave that is either borrowed from someone else or pathetically inappropriate.

A useful guide to the opportunities and the pitfalls of new product development is provided in a new report by Kraushar Andrews and Eassie, a leading market development consultancy. It is called New Products in Grocers, 1970-1990 ?, although it also takes a look at selected product categories in non-food sectors. It provides a review of the 1970s, as well as a brief journey forward into the new decade.

It gets quickly down to business with a survey of grocery buyers' current attitudes to new product opportunities, and their opinions of leading manufacturers. Part II concentrates on multiple buyers only, who increasingly represent such a large share of all grocery sales; Part III reveals national research information on distribution levels in selected non-food areas; Part IV provides an analysis of more than 300 major new products launched over the past ten years, together with possible reasons for their success on failure, and Part V summaries likely developments in the next decade.

Grocery buyers were asked for their opinion of the most successful new grocery products of the 1970s (Rowntree's Yorkie chocolate bar and Unigate's St. Ivel 5 Pints were fairly clear-cut winners, followed by Golden Wonder Pot Noodles). Asked the reasons for their votes, the buyers listed consumer demand and satisfaction, product quality and continuity of advertising support as the most important, followed, in only fourth place, by distinctiveness of product.

"This is probably fair," says KAE, "because there were not many distinctive new products in the 1970s, though the trade must hope that this will change." Competitive pricing was rated relatively low, probably indicating that manufacturers paid more attention to low pricing than the trade felt justified.

As in earlier studies, KAE asked buyers for their views of the new product performance of leading manufacturers. Some are rated very poorly, though KAE keeps those names to itself.

Over the 1970s as a whole, says KAE, there was a definite pattern and consistency of the rankings of manufacturer performance. Procter & Gamble was rated top in 1970 and 1971, but has gradually been slipping. Lever Brothers has gained ground, and was rated second in 1979. Top place last year went to United Biscuits, which has been either first or second in the last four surveys.

Birds Eye and Pedigree Petfoods have consistently earned high ratings, while both Mars and Rowntree achieved their highest ranking last year. Heinz, on the other hand, after a very active period in the 1970s—it was rated top in 1973—has declined since and was only tenth last year. Two companies to do well recently were Findus, which jumped 13 places last year, and Golden Wonder, which jumped 15.

As for the markets offering greatest future scope, the buyers voted for the delicatessen sector, frozen foods, ready meals and biscuits, in that order. Sectors offering least potential were thought to be canned meat, instant coffee, shampoos, cigarettes and cooking oil.

In the 1980s, says the report, there will probably be fewer new products launched but there will be more major launches, because of the need for distinctiveness and thus for greater technical effort and increased investment.

"Attitudes towards new product development within companies are likely to become more sophisticated. The analysis of some failures in this study has shown how many even large companies have committed stupid mistakes; others have suffered from inertia. The former will be forced to be more hard-headed, the latter more entrepreneurial, if they are to survive."

The report is available from Kraushar Andrews and Eassie, 20, Buckingham Street, London, WC2 price £120.

Philips plans £2m campaign

PHILIPS IS the latest advertiser climbing belatedly aboard the sci-fi wagon, with a £2m campaign, via Wasey Campbell-Ewald, for its automatic washing machines, tumble driers, dish washers, fridge-freezers and micro-wave cookers. The campaign theme: Science Fiction into Fact. Around £1m will be spent on TV: £340,000 in ten of the top women's magazines.

● MAPPIN AND WEBB has appointed the Progress Agency to handle its £500,000 account. The new theme: Mappin and Wonderful.

● PERRIER, UK market leader in bottled mineral water, is introducing clusterpacks, one of 330 ml bottles, the other of 200 ml bottles, aimed at those who use Perrier as a mixer.

● JOHN PLAYER is backing to launch of John Player Special King Size with a major poster campaign via Sharps Advertising.

BOND DRAWINGS

BANQUE FRANCAISE DU COMMERCE EXTERIEUR

International Bonds 8.375% due March 15, 1981 of $U.S.20,000,000

We inform the bondholders that the redemption instalment of $US7,000,000 nominal due March 15, 1980 has been satisfied by purchase at $US731,000 nominal bonds and by the drawing for redemption of the undermentioned bonds amounting to $US6,269,000 on January 22, 1980 in Luxembourg, in the presence of an "Huissier."

The bonds will be reimbursed at par on March 15, 1980 coupon due March 15, 1981 and followings attached, according to the modalities of payment on the reverse of the bonds.

The numbers of such drawn bonds are as follows: 4831 to 4836, 4959 to 4962, 4965 to 4970, 4972, 5011 to 5035, 5120 to 5167, 5169 to 5189, 5265 to 5285, 5321 to 5343, 5431 to 5591, 5827 to 11779.

The following bonds previously called for redemption have not yet been presented for payment: 291, 223 to 227, 239, 293 to 304, 325 to 328, 331 to 347, 351 to 361, 402 to 407, 409, 660, 803 to 804, 842 to 846, 897 to 901, 905 to 906, 908, 1114 to 1117, 1162, 1224, 1227, 1232 to 1236, 1252 to 1261, 1280, 1286, 1292, 1308 to 1309, 1326, 1332 to 1333, 1613, 1623 to 1624, 1630, 1637, 1642, 1844, 1649 to 1653, 1664 to 1666, 1671 to 1675, 1677 to 1686, 1825 to 1826, 1978 to 1979, 1981 to 1982, 1984 to 1986, 2039 to 2041, 2217, 2243 to 2362, 2398, 2544, 2547, 2580 to 2582, 2722 to 2723, 2853 to 2857, 2867, 3087, 3364, 18631, 18672 to 18673, 18687 to 18696, 19534 to 19535, 19870 to 19871, 19875 to 19909, 19971 to 19975, 19977 to 19985, 19988.

Amount outstanding after March 15, 1980: $US7,000,000.

The Principal Paying Agent
SOCIETE GENERALE ALSACIENNE DE BANQUE
15, Avenue E. Reuter
Luxembourg

JOBS COLUMN, APPOINTMENTS

Self-knowledge is useful—but not enough

BY MICHAEL DIXON

"HE LOOKED a bit doubt-racked as he came through the door," said the lady who is expert in—among other things—careers in social work. "So I wasn't surprised when he said that some careers consultants who had tested him, had advised him against a job where he'd be working alone, cut off from the support of any colleagues.

"But I was astonished to hear the job which the same consultants had advised him to try, and which he had come to discuss with me. They'd recommended him to be a probation officer."

She then pointed out that, while ideally probation work should not be lonely, in reality it tended to be very much so. Indeed, probation officers seemed more likely to be undermined than supported by the relationships with other people which their work entails.

Because of this experience, she now doubted the value to people in a dither about their career, of seeking consultants' advice based on tests of mental and other aptitudes, personality and interests. I begged to differ because my encounters with such testing have so far been wholly productive.

In my own case, a testing session freed me at the age of 36 from a regret which had been nagging me since my first meeting with the art teacher of the grammar school I joined when I was 15, after three failure-ridden years at a boarding school.

The art teacher looked down at the vivid colours I was slapping on a big sheet of paper in response to his demand for a fairground scene. "I like the effrontery of that," he said. "When you have finished the painting, I shall hang it in the speech-day exhibition."

This unprecedented admiration of work I had done at school, rather went to my head. Arriving home, I looked up the word "effrontery," and found it meant "shameless audacity." If that was what the man liked in my painting, I thought, he should not want for more. The garish results filled an entire wall at that summer's speech-day exhibition, and at all its successors until I left school four years later.

In the meantime, I had become known as "the painter," and not just by my own schoolmates. If I stood at the tram-stop with a rolled-up sheet of paper in my hands, girls from neighbouring schools would occasionally come up and ask to see my latest painting.

Under this public pressure, I had actually taught myself to draw tolerably well (it is not all that hard). So my work brought forth fewer and fewer bitchy comments of "it's just a daub." It became quite common for the onlooker to sigh, and say: "I wish I could be creative, like you." Obviously, therefore, there was no doubt as to my future career. I was going to be a painter, like Rembrandt.

Scotch

But my subsequent teachers at art school, while approving the drawing, apparently disliked the painting in a way which they could not explain. Sometimes, after a single glance at my effrontery, one of them would slip out of the room for a few minutes and come back smelling of Scotch. So I concluded that, as with Van Gogh, the conventional taste was lagging hopelessly behind me, and I dropped out of art school and took a job as a clerk.

When I went to be tested by psychologist Sam Smith at Austin Knight 14 years later, I did so to write about the experience as a newspaper columnist. Although satisfied by journalistic work, however, I still felt ashamed of turning my back on my creative talent and, when asked to describe myself, still pretentiously answered: "A failed painter."

As in most cases, I gather, the tests showed no compelling reason why I should not get along fairly well in my present line of work. That said, Mr. Smith asked if there was any particular aspect of the results that I wanted to know about.

"Yes," I said eagerly, "what do they say about creativity?"

He started by giving what I take to be the standard answer, that almost everybody can be creative at something, even if not in the activities within the conventional definition of creative arts.

"But if we're to confine ourselves to that conventional definition," he went on, "well I can tell you that you're most unlikely to be good at something like painting. Your test score for visual sensitivity is one of lowest that has ever been recorded."

My reaction was a glorious sense of relief. So that was why the real painters I had known could hardly bear a sustained look at my efforts. The colour-relationships which they knew should be there, were not. And, worse, those which they knew should not be, there, were nauseously present.

In short, I am simply physically incapable of seeing colours properly—which is a bit of a handicap for a great painter. Even so, my drawing was probably good enough to have scraped me through art school with a qualification sufficient to land me in a commercial artist's job, even though I lacked the basic talent ever to be any real success in it. Thank the Lord that I dropped out in time! Many do not . . . perhaps including my art master at school.

Other people who I know have undergone similar tests, also claim to have gained by doing so. Take the man in his mid-30s who was lately depressed about his career prospects, feeling himself to be fairly good at mathematics and more or less rotten at everything else. On my advice—I'm pleased to say—he took a full series of tests at the Independent Assessment and Research Centre in London.

When I saw him the other night, he was a changed and cheerful man. What he had discovered was that he was not fairly good at maths; he was superb at them. Likewise, other work skills which he had previously viewed as moderate weaknesses, were really better-than-average strengths. So he has now adopted a new career strategy, and I am glad not to be standing in his line of ascent.

Those success stories do not, of course, answer the complaint of the woman whom I mentioned at the start. Refined knowledge of a person's mix of abilities is of no use unless, when deciding how best to apply them, the person or the adviser has a refined knowledge also of what abilities the various jobs entail.

The main problem of careers advice, to my mind, is that this second kind of knowledge is generally lacking, perhaps because it is not until one has been doing a job for a longish time that one becomes aware of some of the basic attributes it requires.

Take for instance my kind of daily-newspaper journalism. It evidently requires a willingness to invest in it most of one's interest, making difficulties in maintaining close relationships with people outside journalism. It also requires ability, not only to preserve one's mental balance during periods of intense pressure, but also to remain alert throughout periods of unrelieved boredom. It seems to me that there are two sorts of people: those who merely imagine that they've suffered boredom, and those who have covered a National Union of Students' conference.

Those are just two of the attributes which, before I entered journalism, I would never have suspected were important in it.

Now, the same must surely be true of many Jobs Column readers with respect to attributes essential in their own lines of work. If so, in the interests of improving careers advice, I'd be obliged if they would write down their corresponding observations, and send them to me. And if they do, I will discuss the results—without identifying the senders—in future articles.

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Forecasting and Planning Manager

Qualified Accountant—probably 27+
London c £10,000

The autonomous UK Holding Company within a large multinational Group, is a major force within its sectors of the contracting and manufacturing industries. This is a new and significant head office appointment which could lead to promotion into line management. The successful candidate will play the key role in the preparation of periodic forecasts and in monitoring actual performance against these. The duties will entail deep and practical involvement in the activities of all the company's operating divisions. Candidates must be qualified and should have relevant experience gained within a contracting or related industry.

H.W. FitzHugh, *Ref: 20107/FT.* Male or female candidates should telephone in confidence for a *Personal History Form to: LONDON: 01-734 6852,* Sutherland House, 5/6 Argyll Street, W1E 6EZ.

Financial Controller

up to £15,000 + car

Girozentrale Vienna, Austria's second largest bank, wishes to appoint a Financial Controller. The Bank plans to establish a branch in London which will provide a full range of international wholesale banking services.

The Financial Controller will be *particularly concerned* with:

- the implementation of computerised accounting and management information systems.
- the production of periodic reporting statements for local management and for the parent company in Vienna and statutory returns for the Bank of England.

Applicants must be qualified accountants. As considerable maturity is required, suitable candidates are likely to be between 32 and 40 years' of age, offering a minimum of 5 years' post qualification experience in a financial environment. Experience should also include the successful installation and development of systems and the supervision of accounting staff.

The position provides an opportunity for career development in a challenging and exciting environment. The commencing salary will be negotiated at up to £15,000 pa and a company car will be provided. Additional attractive fringe benefits include a low interest loan for house purchase.

Candidates, male or female, can make application by quoting reference MCS/2085 and requesting a personal history form from Ashley S. Phoenix, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse Associates

OPERATIONS / FINANCIAL INVESTIGATIONS

Mid 20's

London **To £11,500 + car**

Our client is a major British Group with worldwide interests and extensive plans for continued expansion.

The group is now looking to appoint an ambitious, qualified Accountant within the recently established, high calibre, multi-discipline team which carries out financial and operational reviews both in the U.K. and overseas.

Candidates should be qualified accountants, able to demonstrate a high level of intelligence and initiative with a strong personality. Probably aged in their mid 20's, they will have trained with a major international firm of Accountants.

For more detailed information and an application form, please contact Jeremy Eidson or Brian Marren B.A., at 410 Strand, London WC2R 0NS, tel: 01-836 9501, quoting reference 2771.

DOUGLAS LLAMBIAS

Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants
and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

DLA

David Grove Associates

Bank Executive *Recruitment*

60 Cheapside London EC2V 6AX

Telephone 01-236 0640

FOREIGN EXCHANGE DEALER c. £8,000
International bank expanding dealing room. 2-3 years experience.

ACCOUNTS CLERK c. £6,000
Good experience of management reports and statutory returns.

FOREIGN EXCHANGE INSTRUCTIONS CLERK £5,000
Instructions and settlements experience for minimum 2 years.

DOCUMENTARY CREDITS CLERK to £6,000
Should have 3 years' experience of checking and paying with general banking background.

SECURITIES CLERK £4,500+
Experience in processing instructions concerning receipt and delivery of UK securities.

MONEY TRANSFER CLERK £4,200+

For these and other career opportunities in banking contact David Grove or Joan Menzies.

MANAGING DIRECTOR

(male or female)

A plastics company in the Midlands, which is part of a larger group, requires a Managing Director to be responsible for the forward development of a profitable company with a present turnover of approximately £8 million and employing 300 people.

An appropriate commencing salary will be offered together with a company car and the usual large group fringe benefits.

Please write stating age and giving details of background, experience and current salary to:

Box A.7029, Financial Times, 10 Cannon Street, EC4P 4BY.

Financial Accountant

required by the 850-roomed LONDON TARA HOTEL, situated in Kensington, and owned by Aer Lingus.

Applicants for the above position will be part or fully qualified and, equally important, must be able to deputise for the Chief Accountant in a managerial capacity. Duties will include preparation of full *departmental monthly and annual* accounts; liaison with auditors; together with other ad. hoc. assignments. *Salary c£7,500-£8,000* plus generous fringe benefits.

Please apply in writing with details of age, past experience and qualifications to Personnel Manager, *London Tara Hotel, Scarsdale Place,* London, W8.

MONTPELIER INTERNATIONAL PROPERTIES, Lehigh Acres, in sunny southwest Florida. Agents and sales persons required to sell on commission holiday and retirement apartments and houses from £12,000 and land plots from £4,500. Developed community with *holiday amenities and town centre; golf;* tennis; swimming; shopping. Close to the Gulf of Mexico. Opportunity to earn high extra income in fast-growing leisure and retirement property field. Selling made easy by preferential financing terms and low down payments. *Applications in writing to: The Chairman,* 17 Montpelier Street, London, SW7 1HG.

Treasury Management

West London **to £15,000**

A major UK based Group with international interests and a ten figure turnover seeks a Group Banking Manager to be responsible to the Group Treasurer for all UK and overseas banking and cash management activities. Acquisition experience will also be a requirement.

The candidate should ideally be 28 or over and have relevant experience in a group with international interests and a UK base or possibly in the banking area.

A numerate degree, accounting or banking qualification will improve acceptability. However a capacity to negotiate with the financial community and to advise senior *operational management within the Group* is paramount.

For fuller job description write to Robin Gregory: John Courtis and Partners, Selection Consultants, 78 Wigmore Street, London W1H 9DQ, demonstrating your relevance briefly but explicitly and quoting reference 805/FT. Both men and women may apply.

John Courtis and Partners

Financial Public Relations Executives

Streets Financial Limited, one of the country's leading financial *public relations and advertising* agencies, *is seeking executives* well-versed in the ways of the City to join its public relations team.

The people we are looking for will have a high degree of self-motivation and self-confidence, able to deal face-to-face with senior management in industry, commerce and financial institutions.

Applicants should either be financial PR executives seeking greater scope and opportunity, financial journalists, stockbrokers, merchant bankers, or working in other City disciplines.

The posts available range from junior executive to associate director levels and offer very competitive salaries, good prospects and excellent *working conditions.*

Applicants should write with full c.v. to Jem Miller, Streets Financial Ltd., 18 Red Lion Court, London EC4A 3HT.

Streets Financial

Taxation Accountant

Charter Consolidated Limited, an International Group with major mining investments and growing industrial interests, has a vacancy for a Taxation Accountant in their London Head Office.

As a member of a small taxation department, the successful applicant will provide support for a wide range of commercial and financial activities, including corporate financial planning, future tax strategy, and the submission and agreement with *Inland Revenue of tax computations for a number of Group* Companies.

Applicants, *male or female, in the 30-35 age group should* be qualified accountants who have specialised in taxation *matters for the past five years* and be capable of taking full responsibility for the taxation department in about four years time.

The salary will reflect the high personal qualities required. Attractive conditions of service include a generous mortgage interest subsidy and a company car.

Applications, which will be treated in confidence to:—

Personnel Manager, Charter Consolidated Services Limited, 40 Holborn Viaduct, London, E.C.1.

CHARTER

F.X. DEALER

c. £10,000

Active City-based Bank have an urgent request for a Dealer aged 25-28 with experience in all aspects of the Foreign Exchange Money Market.

Salary will be in excess of £10,000 and a highly attractive fringe benefits package will be offered.

For further details telephone:

Yvonne Emmerson-Fish, Albany Appointments
01-626 0271

"NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS"

THURSDAY 28TH FEBRUARY, 1980

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, 28th February, 1980, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments."

Advertising rates will be £19.50 per single column centimetre. Special positions are available by arrangement at a premium rate of £21.50 per s.c.c. Copy date is Friday, 22nd February. For further details, including reprints of previous features, please telephone 01-248 4601 or 4084 (direct lines).

Newly Qualified Accountants, especially Chartered are never easy to recruit—don't miss this opportunity!

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Finance Director Designate

London. Up to £20,000 + Car

Our client, a commodity dealing company, has been and is very successful, which is why it now needs a top flight accountant to direct its financial and administrative affairs. Specifically the successful candidate will be responsible for:

☐ financial risk management ☐ management information systems
☐ *investment of surplus cash* ☐ *normal* duties of a *company secretary*

Candidates should be qualified accountants, probably aged between 30 and 40, and have recent experience of working under pressure with a team of commodity or other dealers where quick decisions involving large sums of money are made daily. An ability to assess computer hardware and software would also be useful.

Please send C.V.'s in confidence, and state any companies in which you are not interested, to:

J. D. Vine, Account Director (Ref. CRS/150) Lockyer, Bradshaw & Wilson Ltd.
North West House, 119 Marylebone Road, London NW1 5PU.

LBW
LOCKYER, BRADSHAW & WILSON LIMITED

INTERNAL AUDITOR

Manchester

A challenging opportunity has arisen for a young ambitious accountant to join our Salford production plant as Internal Auditor.

Your main responsibilities will involve working closely with external *auditors and assisting them* with audit programmes, completing programmes designed to ensure rotational attesting in accordance with normal company and ICA procedures.

Responsible to the Senior Internal Auditor at our London Head Office, initiative, flexibility and a sound knowledge of EDP applications *are essential in a job which offers* plenty of opportunity to undertake a wide range of ad hoc assignments of an operational or financial/administrative nature.

Ideally aged under 30, you should be fully qualified ACA/ACCA, be able to communicate effectively at all levels, and be experienced *in handling large company audits.*

Salary and career prospects are first rate and company benefits include pension, life assurance and free dental treatment.

Manchester offers a good range of social and educational amenities and communications to the rest of the UK are excellent.

For further details of this post with one of the UK's largest *manufacturers* of toiletries and household products, apply in *writing* please to Mr T Syddall, Personnel Officer, Colgate-Palmolive Ltd., Ordsall Lane, Salford, Manchester M5 3FS.

Colgate Palmolive Ltd

Corporate Finance Executive

FOR CITY MERCHANT BANK

Robert Fleming has a vacancy in its corporate finance department. The successful applicant is likely to be a graduate in his or her 20's and will have held an accountancy qualification for at least a year. Experience in investigation work with a major accounting firm would be a definite advantage.

Good remuneration with usual benefits to include mortgage assistance in due course will be offered. Apply in writing enclosing curriculum vitae to:—

Tom Phillips, Robert Fleming & Co. Limited,
8 Crosby Square, London EC3A 6AN. Tel: 01-638 5858.

ROBERT FLEMING

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

NEWLY QUALIFIED A.C.A.'s £7–8,000
We have a number of opportunities with leading Accepting Houses for newly qualified Chartered Accountants, preferably graduates, in Corporate Finance or Management Accounting. Excellent fringe benefits include mortgage subsidy. *Please contact PETER S. LATHAM, Director*

EUROBOND SALES £12–15,000 + Bonus
An expanding U.S. investment bank has an urgent need for top-flight sales executives to further develop its institutional sales base. Ideally, candidates should have had experience in marketing a range of fixed interest securities; aggressiveness and career motivation are prime requirements and travel is an integral part of the job. Earnings potential and career prospects should interest candidates at the highest level. *Please contact KEVIN BYRNE*

FOREX MONEY BROKER c£12,000
Due to expansion our client, a leading firm of money brokers, wishes to appoint a senior Deposit Broker. The ideal candidate will have had a minimum of two years' experience in an active deposit broking environment. Ambitious people with an energetic outlook are required to work within this closely knit team. There are possible prospects of overseas promotion. *Please contact BRIAN GOOCH*

First floor - entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

BNOC: A continuing process of growth

Financial Accountants
Project Accountants
Management Accountants
Budget Accountants

The British National Oil Corporation was formed in 1976 for the purpose of creating new wealth for the nation from its vast oil resources. In just four years, the Corporation has grown into a top operator in UK waters, with over 80 active partners and a turnover of £4 billion. And we're still growing with our first international activities.

So why not grow with us? Our expansion plans are bold and they will need top quality support from every professional discipline if we are to keep our place among the front runners in this fast-moving world market. To this end we seek qualified or part-qualified young accountants for financial, project, management and budget roles.

If you can demonstrate a high level of commercial acumen as well as the appropriate industrial or professional experience for any of these functions, we can offer you a first-rate opportunity to further your career right at the forefront of industry. And if you are part-qualified you will receive every encouragement to complete your studies.

We also have vacancies for SENIOR ACCOUNTS ASSISTANTS, ACCOUNTS ASSISTANTS and COST ANALYSTS.

All posts carry highly competitive salaries and an excellent benefits package including pension, free life assurance and, where applicable, relocation assistance to the West of Scotland.

Write or telephone for an application form quoting Ref: FT/14
The Recruitment Officer,
The British National Oil Corporation,
150 St. Vincent Street,
Glasgow G2 5LJ.
Telephone 041-204 2525.

BNOC

The British National Oil Corporation

Inner London Education Authority

SOUTH WEST LONDON COLLEGE

DEPARTMENT OF MANAGEMENT SERVICES & INDUSTRIAL RELATIONS
Required on 1 September 1980.

SENIOR LECTURER IN INVESTMENT AND ALLIED STUDIES

to prepare students for examinations of the Society of Investment Analysts and the Stock Exchange, for examination requirements of other professional bodies and in Share Registration and New Issues.

The person appointed will also be responsible as Course Director for recruitment and enrolment of students, liaison with financial institutions and professional bodies, selection and supervision of staff and conduct of examinations.

An essential requirement is a wide knowledge of and practical experience in the subjects of the examinations with the ability to teach them to mature students: membership of the Society of Investment Analysts would be a distinct advantage.

SALARY SCALE: In accordance with the recent Burnham interim award £7092-£8280 [(bar)-£8871] plus £809 Inner London allowance, subject to formal approval.

Assistance may be given towards household removal expenses. Further details and forms of application returnable within 14 days from Deputy Senior Administrative Officer, South West London College, Tooting Broadway, SW17 0TQ. (T.210)

Export Finance

Merchant Bank providing complete financial services including ECGD cover, supplier credits and performance bonds, seeks an additional executive 23-26 with experience in an established export finance or confirming house. The standards set are high, prospects excellent. For job description and further details, 'phone Bill Lubbock on 01-248 3999.

Product Managers

Expanding World Markets
£11,000 + Car

De La Rue Systems Limited are world leaders in the design, manufacture and marketing of specialist documentation and money handling systems. A strongly export orientated business, we are looking for two experienced industrial Product Marketing Managers to assume responsibility for the market development of two major product areas on a worldwide basis.

Reporting to the Marketing Director, the successful applicants will be responsible for establishing an effective strategy for their business area, for predicting market developments and for maintaining the integrity of their product line so that costs, design, performance characteristics, pricing policy, service and warranty arrangements are broadly responsive to the needs of the Company's markets.

Document Reading Equipment

This is a specialist market dealing with national lottery and other gaming developments utilising the secure handling of high value documents. A keen interest in the application of microprocessor and minicomputer technology is essential.

Money Handling Systems

Will be involved with specialist banknote counting and deposit systems for banking and other financial institutions. Good presentation skills and an understanding of financial operations are essential.

Applicants for both positions should be aged 28+ and have a graduate engineering background, followed by a Business Studies qualification and several years' experience of industrial products planning.

In addition to a salary of around £11,000, the total remuneration package includes bonus, a company car, and generous relocation expenses where applicable. The positions are open to both men and women and are based at Watford.

Please write with personal and career details to Mr. J. E. Maynard, Director of Personnel, De La Rue Systems Limited, Walton Road, Farlington, Portsmouth, Hants. PO6 1IJ. Tel: Cosham 383161.

De La Rue Systems Limited

CORPORATE AUDITOR HOME COUNTIES

c. £14,000+car

We are multi-national, broadly diversified company whose interests range through industrial products, consumer goods and financial services supplied to virtually every market in the world. Our corporate auditing function, centrally based in Europe, is seeking a locally based representative, willing to be domiciled in or around London, to make reviews of a wide range of management functions for the company's diverse businesses throughout the U.K.

Reporting directly to the Manager of European Audits at the European HQ, their major duties will consist of planned operation audit assignments at the various U.K. business locations, and will also assist in the training and development of the local internal auditors, but will not have line responsibility for them. They will, however, be the key contact between the corporate and local company audit departments.

The position offers an ideal opportunity for a qualified male or female accountant in their mid-thirties with a broad based business background to further their career by 2-3 years exposure to a wide range of business problems and industry types. Future opportunities are excellent within one of the world's largest companies.

An attractive remuneration package of up to £14,000 for the right candidate is backed up by the usual range of big company benefits, including company car, and relocation assistance.

The job will require more than 50 per cent weekday travel away from the individual's home base, mostly within the U.K., but with occasional short trips to other European locations.

If you wish to know more, please contact our consultant Mr. H. Boegler, who will treat your enquiry in total confidence. You can reach him by telephone on 01-486 8282 until 8.00 p.m. on weekdays, or in writing to:

28 Welbeck Street, London W1M 7PG
01-486 8282

inter elect GmbH

EAL

LOAN EXECUTIVES

Hong Kong
£12,000-£15,000

Expanding Merchant Bank with substantial capital services in the Asia/Pacific region seeks one or more Loan Executives as a result of internal promotions. Those appointed will work on domestic and offshore opportunities and will probably be aged 26 to 30.

Candidates should have developed international lending skills including a good understanding of loan documentation combined with negotiating abilities and a market orientation. Salary negotiable around £12,000-15,000 plus free accommodation and significant financial benefits. (SW.608).

Candidates male or female should write briefly and in confidence to the Managing Director, Executive Appointments Limited, 18 Grosvenor Street, London W.1, quoting reference. No identities divulged without permission.

Export Finance Officer

Five figure salary + substantial benefits

The Chase Manhattan Bank N.A. is seeking an Export Finance Marketing Officer with considerable practical experience and knowledge of all aspects of Export Finance including the various functions of Export Credit Agencies for the UK and other major trading nations.

The successful applicant will join the UK Export Finance Group, which forms a division of the London Branch of the Bank and an integral part of Chase's rapidly expanding Trade and Export Finance effort throughout the world.

It is envisaged that the individual will be responsible for initiating and maintaining contact with UK exporters of capital goods, assisting them in the drafting of commercial and financial clauses in major contracts, and negotiating loan documentation with either exporters or importers as appropriate. With a likely emphasis on ECGD supported business, experience in dealing with the Department is considered essential.

A five figure salary, fully commensurate with experience, will be supported by a package including a bank car, preferential mortgage, personal loan scheme and non-contributory medical, pension and life assurance.

Please write with full details in confidence to: Shirley Watson,
The Chase Manhattan Bank N.A., Woolgate House, Coleman Street, London EC2P 2HD.

CHASE

A CAREER IN BANKING

City c£9,000 + mortgage and benefits

Our client, the London Branch of a major international U.S. bank with extensive worldwide operations, now wishes to recruit a young accountant to develop new accounting procedures, to conduct projects of a non-routine accounting nature and act as accounting consultant to the branch.

Candidates should be recently qualified accountants, aged in their mid 20's, and are likely to have trained with a large firm of Chartered Accountants, where they would possibly have acquired experience of auditing banks. They should possess effective communication skills and a positive and self-motivated approach. This appointment is an excellent introduction to all aspects of international banking and offers good career prospects, both in the U.K. and overseas.

For further information and an application form, please contact Brian Marren B.A. or Ian Tomisson, 410 Strand, London WC2R 0NS. tel: 01-836 9501, quoting ref. 2776.

DOUGLAS LLAMBIAS
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants
and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

DLA

Investment Analyst

Montagu, Loebl, Stanley & Co., specialists in the Oil and related Sectors, seek an investment analyst to strengthen their team in this field.

The successful candidate will be expected to prepare reports for institutional clients on the companies followed and communicate recommendations to our salesmen.

Applicants should ideally be in their twenties and have at least two years' experience of investment research. A competitive salary will be offered.

Please send replies in confidence to:

Colin Priestman
MONTAGU, LOEBL, STANLEY & CO.,
31, Sun Street, London, EC2M 2QP.
or ring 01-377 9242.

WILLIAMS de BROE HILL CHAPLIN & COMPANY

PORTFOLIO MANAGEMENT

Age: 25 - 30

Williams de Broe is currently reorganising its Private Client department and seeks to recruit an additional member for the portfolio management team.

The successful applicant will be expected to work as part of a team managing individual portfolios on an advisory basis. Investment strategy is formulated within the department and each member has ample opportunity to contribute to the decision making process. The department has the full backing of a highly respected equity research team, Institutional, gilt-edged and international departments.

Suitable candidates will probably be graduates who have spent two or three years as an investment analyst/portfolio manager in a financial institution. The role demands a sensible, intelligent and hard working individual, who can command respect in a competitive and stimulating team environment. Promotion is based entirely upon performance and ability.

The remuneration package offered will reflect the experience of the successful applicant and the level of the position offered.

Please apply to:—
Mr. P. H. A. Stanley,
Williams de Broe Hill Chaplin & Company,
Pinners Hall, Austin Friars, London EC2P 2HS

WdeB

LEGAL EXECUTIVE

A leading international Merchant Banking Group requires a Legal Executive to head its Legal Department.

The successful candidate should have wide commercial banking and law experience, particularly in the areas of commercial lending, Stock Exchange transactions (bids), acquisitions and corporate reorganisations and a positive attitude to problem-solving. He or she will be expected to become involved in the Group's business and the appointment will therefore suit someone who, while content to be primarily engaged on legal work, is looking for a career in commerce rather than within the legal profession. The salary will be commensurate with experience and a comprehensive range of benefits is offered. Please send a full c.v. with your application to:

Box A.7045, Financial Times,
10 Cannon Street, EC4P 4BY

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Commercial Controller

Accountant with General Management Potential
Rural Midlands, c.£12,000+car

Because of fast expansion, a profitable £25m T/O subsidiary of an international food group needs to strengthen its senior management team. Reporting to the Managing Director, this new position has responsibility for the finance, purchasing, stock control and customer service functions. Key subordinates are talented but need leadership to develop effective business administration and planning skills alongside the daily management pressures of the industry. Success will lead to a directorship. Applicants, 30+ and qualified accountants, must show strong management ability and a high level of creativity together with broad commercial experience gained within a fast moving goods company.

H.W. FitzHugh, Ref: 20114/FT. Male or female candidates should telephone in confidence for a Personal History Form to: **LONDON: 01-734 6852,** *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

FUNDS CONTROLLER

Use your comprehensive FX Backup experience to advantage. This leading Merchant Bank can offer you great opportunities within their elite investment division. Age 19+ Salary £5,000 aae

For further details please call
Mike Blundell Jones on 01-439 4381
PORTMAN RECRUITMENT SERVICES

TRAINEE BANK OFFICIAL

This expanding European Bank is currently seeking a fully qualified banker, who wishes to further their career by joining this excellent training programme. You will be involved in all aspects of International Banking, with a view to eventual specialisation. Age 24-28. Salary £5,500 neg.

For further details please call
Mike Blundell Jones on 01-439 4381
PORTMAN RECRUITMENT SERVICES

INTERNATIONAL AUDIT

Age 22-25 Negotiable

A major North American Bank is in the process of expanding significantly its International Audit Division. This will necessitate the appointment of two ambitious young Bankers who seek a long-term but progressive career in one of the world's leading Banks. A substantial amount of world-wide travel will be an integral part of the job and preference will be given to candidates retaining single status. Applicants will have a minimum of two years' general banking experience and have attained or made considerable progress towards the Banking Diploma.

These positions would be particularly attractive to graduate/management trainees from within one of the Clearing Banks.

Salaries are fully negotiable and fringe benefits include mortgage facility, profit sharing, BUPA, n/c pension scheme, and expenses while abroad.

Please telephone in confidence Mark Stevens (General Manager)

BANKING PERSONNEL
41/42 London Wall · London EC2 · Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

CJA RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

Appointment as Managing Director of Associated Service Company is envisaged in 12-24 months.

PARTNERSHIP SECRETARY

LONDON - WEST END **£12,000 - £16,000**

MAJOR AND GROWING INTERNATIONAL FIRM OF SOLICITORS

We invite applications from candidates, male or female, aged 35-50, with not less than seven years' senior level experience in the innovative and proven general administration of a large professional practice or comparable organisation noted for its methods and standards. A minimum of two years heading a department of this nature is essential together with an ability to make a positive contribution to the overall progress of the firm. Responsibility is to the Partnership for the effective maintenance and development of a complete range of services in support of the professional group. The successful candidate will manage, within substantial budgets, a large staff concerned mainly with property, secretarial and other office services using sophisticated equipment and the provision of catering and domestic requirements. Initial salary negotiable £12,000-£16,000, including optional car scheme, contributory pension, free life assurance, group B.U.P.A. and assistance with relocation expenses where necessary. Applications in strict confidence under reference PS 3968/FT, to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED, 35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374.

THE UNIVERSITY OF ASTON IN BIRMINGHAM

M.Sc. in Operational Research
M.Sc. in Systems Analysis

This full-time one-year programme uniquely combines the concepts, methods and techniques of O.R. and Systems Analysis with background understanding of behavioural science and of management. Practical application is stressed throughout. After a common first term, the student chooses the *Systems or the O.R. stream*.

The programme is designed for entrants with some relevant post-graduate experience, but new graduates can be considered.

The Science Research Council has accepted the course—M.Sc. in Operational Research and Systems Analysis—as suitable for the *tenure of its Advance Course* Studentships.

P. Golder,
Course Organiser, M.Sc. S.A.
or
G. M. Luck,
Course Organiser, M.Sc. O.R.
The University of Aston Management Centre,
Nelson Building
Gosta Green,
Birmingham, B4 7DU.

PORTFOLIO MANAGEMENT

MAJOR INVESTING INSTITUTION

Middle East **c.$80,000 + tax free**

Expansion and recognition of the need for increased expertise have created this requirement for two senior investment executives to join a substantial Gulf-based institution.

Our Client's plans call for the recruitment of two portfolio managers, ideally in their 30's, to assume individual responsibility for the management of its fixed interest and equity investments. A comprehensive experience of the major international markets is regarded as mandatory, and a detailed knowledge of eurobonds, foreign exchange, commodities and modern developments in portfolio theory is highly desirable.

Additional responsibilities will include participation in formulating the long term strategy of the institution's investment activities, together with the training and development of a nucleus of high calibre support staff.

These key positions are offered on the basis of an initial two year contract, renewable subject to negotiation, and the overall remuneration and benefits will amply reflect the importance which is attached to them.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside · London EC2 · Telephone: 01-248 3812/3/4/5

International Shipping Banker

Bankers Trust Company is one of the foremost American Banks in the world. Our London office, established over 55 years ago, is currently seeking an experienced banker to join a strong team within our London shipping group.

You will be in your late twenties to early thirties and have a sound knowledge of credit analysis. You will also have had a minimum two years experience of structuring and arranging Eurocurrency loans, had contact with multinational customers and be familiar with banking services to the shipping industry. A linguistic ability will be advantageous and a willingness to travel is essential.

You must be capable of an immediate assumption of marketing responsibilities in a group primarily covering Europe.

We will offer a salary commensurate with your experience and qualifications, plus fringe benefits normally associated with a first class banking institution in the City of London.

Applications, which will be treated in complete confidence, should be submitted in writing with a full curriculum vitae to: Mr. P. C. Taber, Assistant Vice President, Personnel Division,

Bankers Trust Company
9 Queen Victoria Street, London EC4P 4DB.

Board Member for Finance

London Transport

This board level appointment carries with it responsibility for the entire financial function of the Executive. LTE employs 60,000 people, and has a budget of £700,000,000.

Applicants must be qualified accountants who have already proved their ability at the top level in a major and well reputed organisation. Management skill is as important as technical competence, and the post demands appropriate personal qualities.

Compensation arrangements reflect the importance of this key position.

Write in confidence, quoting reference 2410/L, to: J. H. Cobb, Executive Selection Division, 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

Peat, Marwick, Mitchell & Co.

Manager Financial Analysis

Berks/Wilts border **c. £10,000 + car**

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Manager

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Applications and further details may be obtained from: Mr. E. T. G. Shuldham
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Engineering Industry Training Board,
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WATFORD Herts
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Candidates should be qualified accountants probably aged in their early 30's who, in *addition to having the necessary accounting skills,* can demonstrate the business acumen and commitment to becoming highly involved in a small entrepreneurial environment.

For further information concerning this appointment, please contact Nigel V. Smith, A.C.A., or Tony Forsyth, B.Sc., at 410 Strand, London WC2R 0NS, tel: 01-836 9501, quoting reference 2768.

DOUGLAS LLAMBIAS
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Write with full career details to:
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DERBY & CO. LTD.
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For newly-established International Bank
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THE EQUITABLE LIFE ASSURANCE SOCIETY,
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Further particulars may be obtained from: A. M. Currie, Secretary to the University, University of Edinburgh, Old College, South Bridge, Edinburgh EH8 9YL to whom applications (10 copies except for candidates from overseas who need submit only one copy), giving the names of three referees, should be *returned by 31st March 1980. Please* quote reference 1/80.

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This appointment should appeal to young accountants aged 25-30, who are seeking career development and possess one or two years post qualification corporate tax experience, together with the ability to communicate effectively. The salary is negotiable and there are attractive fringe benefits. Consideration will be given to assisting with relocation.

Applicants are requested to send a brief career résumé or to telephone:—

J. B. ROBERTS, F.C.A.

Taxation Personnel
27 CHANCERY LANE, LONDON, WC2A 1NF TEL: 01-242 4943

LOMBARD

Reassuring the public

BY IAN DAVIDSON

A Home Office spokesman said that "Protect and Survive" was an expensive document which would not go on release, not even in public libraries, until the run-up to a nuclear attack. Daily Telegraph, January 31, 1980.

I EXPECT you are wondering what the Government is doing about civil defence. After all, we have all heard that, what with Iran, Afghanistan, Lebanon, Saudi Arabia and Israel, and one thing and another, World War III may be upon us before the next U-turn in Government economic policy. The Government is just as worried about the situation as you are, if not more so, and we have not been idle, I can assure you of that.

Security

We've got the whole thing worked out, and it is all explained in this little book. No, I am afraid you can't see it, because it is all to do with defence, and the security of the realm, and that kind of thing, so it comes under the Official Secrets Acts, and is therefore secret. After all, it would not do if the Russians knew what we were up to, would it now?

But I can tell you that you will know in good time what to do in the event that things do go wrong, because we shall certainly release this little book in the run-up to a nuclear attack. Now, I suppose you will want to know just how long the run-up to a nuclear attack might be. Well, it could of course be as little as four minutes, give or take a minute either way, and in that case the circulation of the booklet might be slightly restricted. But I think you can take it from me that we've got our eye on the situation out there.

The chaps in the Foreign Office and the Ministry of Defence are pretty clued up, and we're not likely to be caught napping. In the normal course of events I think it is safe to assume that most of you will have an opportunity to read this little book before a nuclear attack actually takes place.

In fact, we are confident that we shall be able to foresee a nuclear attack quite some considerable time before it actually takes place, and we are working on the hypothesis that we shall be able to identify several stages in the run-up to a nuclear attack before we actually release this little book.

The first stage will be called the pre-alert stage, and when we think that we have reached that stage, we shall let everyone know. This will be quite simple, because the Post Office will send out, by first class post, to every household in the land pre-printed leaflets bearing the words Pre-Alert, in yellow. We won't of course be able to give you any more information than that at that stage, for the security reasons I have mentioned, but you will know to stand by for the next stage, which is the Alert stage. This will be signalled by me appearing on your television screens, with a card bearing the word Alert, in red. Some time after that we shall issue the little book. No, I can't tell you how long that will be.

No details

Rest assured that we in Government have made serious preparations to deal with the situation as it develops. I cannot of course give you any details, but I think you can safely speculate that we have taken steps to ensure that the essential Government services will be able to keep up the good work after a nuclear attack.

But you may be asking what the ordinary citizen can do. I am afraid that is confidential. But off the record I think I can safely say that there are, as common sense would suggest, two broad lines of approach. The first is, stay at home. As the Home Secretary has said, most houses offer reasonable protection against radio-active fall-out. With a few sandbags, in addition, people should be right as rain. The alternative is to get right out of the area where the bombs are going to fall.

The important thing is to stay calm. That is the reason why we are not releasing this little book. We just don't want people to panic. Is that clear?

Interpretation equals law-making

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

WHILE everyone will recognise that a murderer is not excused by the fact that he acted under contract to kill, the supremacy of fundamental rules over the more transient rules of public law is not so clearly evident, particularly in a country, like the UK, where the Constitution is unwritten, and no neat Bill of Rights available.

Only the lack of a clear concept of the hierarchy of the rules which make up the law could result in an intellectual confusion of such magnitude as was triggered off by a head-on collision between the five Law Lords and the three judges of the Appeal Court, whose familiarity with the English rules of interpretation could not be doubted. In the steel strike case* the Appeal Court held that at issue was not a trading dispute but a political dispute with the Government. The Lords refused to lift their eyes from the text of the statute, and said that if the literal interpretation of the 1974 Act meant "almost any major strike.... might bring the nation to its knees," this was "good" law however repugnant the consequences might be.

Masochistic

The words of this masochistic judgment make much of the supremacy of Parliament over judges, but its message seems to be that Parliament, when adopting the 1974 Trade Union and Labour Relations Act and its subsequent amendments, either intended to vote itself out of power or accepted such consequence later when industrial action became much more effective in constricting the life-lines than they were in 1974. The fact that in a previous decision the Law Lords decided to interpret the immunity given to trade unions as dependent on the purely subjective belief—however unreasonable—that what they do helps them in a trade dispute is neither here nor there, though it is a good example of the innovative role of judges as there is no support for it in the words of the statute.

The real issue, to use the words of Lord Diplock, "involved granting to trade unions a power, which had no other limits than their own self-restraint, to inflict by means contrary to the general law untold harm to industrial enterprises unconcerned with the particular dispute, to the employees of such enterprises, to members of the public, and to the nation itself." The emphasis should be on the "means contrary to general law."

Can there be any legal way of undoing the "general law" and coercing the Government? Yes, there is, but only one: a revolution—a great deed if it succeeds—high treason if it fails. But stopping short of that, neither lawyers nor politicians can really accept that trade union legislation was meant to change the constitution.

The hierarchy of legal rules, some being more important than others, is reflected in the hierarchy of the law makers. The strict division of power, legislative, executive and judicial, was invented by Montesquieu to serve the particular political purposes of the time; in fact, the frontiers between the three powers are blurred. Parliament passes an Act which gives power to ministers and their servants to determine the finer details of the law. Individual citizens may fill in further details by making declarations or by concluding contracts, and both the public law and the law of contract is further elaborated by the judges who apply the intention of the legislator or of the contracting parties to a particular situation which often could not be foreseen at the time when the statute law or the contract were made. The efforts to reconcile the reality of law with the fallacy of the doctrine leads to no end of contradictions and uncertainties.

The Lords have been pulling at the chain of Montesquieu's doctrine for a long time. Quite recently they reaffirmed as a well-established principle that if an Act is unambiguous it must be enforced even though leading to absurd or mischievous results, but 15 years earlier, in 1963, Lord Reid said † "to achieve the obvious intention of the legislation and produce a reasonable result we must do some violence to the words." The words must prevail, he added, only if "absolutely incapable of a construction which will accord with the apparent intention."

Lord Denning went only a little further, refuting a lower court's assertion that "we are bound to apply the provisions of an Act of Parliament, however absurd, out-of-date, and unfair they may appear to be." Lord Denning said ‡ that the literal, grammatical construction of the words was now completely out of date. In interpreting statutes, the Court of Appeal would promote their general legislative purpose—"it is no longer necessary for the judges to wring their hands and say 'there is nothing we can do about it'."

In his steel strike judgment Lord Diplock emphasised the other side of the coin: "Where the meaning of the statutory words was plain," he said, "it was not for the judges to invent fancied ambiguities as an excuse for failing to give effect to that plain meaning because they themselves considered that the consequences of doing so would be inexpedient, or even unjust or immoral."

Though this judgment seems to limit the judges' freedom very clearly, it does not really, because a text which was unambiguous at the time of drafting may become ambiguous with time as new situations arise to which it has to be applied. The perception of ambiguity would differ from one judge to another who, though sitting in judgment at the same time, has a greater or smaller awareness of economic or social change. Similarly, there are no real gaps in law—*lacunae* as the lawyers say; this is just a cover name indicating that the lawyer would wish that the law should impose some duties (or protect some rights) which it does not impose or protect. Here again, everything depends on the interpreter's desire.

A topical example of this was provided recently by the award§ of SwFr 3.5m to the trade unions who sued Firestone, the multinational tyre producer, over redundancies in its factory in Prattel, Switzerland. In 1973 Firestone concluded with the trade unions a collective agreement which provided for consultations over individual dismissals but had no provision for redundancies resulting from the closure of a factory.

In the summer of 1978 Firestone closed their factory in Prattel without consulting the trade unions and these sued for compensation amounting to SwFr 13.2m. The Cantonal Arbitration Tribunal of Basle, presided over by a senior judge, concluded that the agreement of 1973 had a "gap" because at that time (of booming economy) people did not think of factory closures. "There is no doubt," said the court, "that the unions expressed their desire for a comprehensive protection of the employees and that the employers could not misunderstand them."

Penalty

The court, therefore, filled the *lacuna* of the agreement and read the provision for factory closure into it. It then imposed a penalty of SwFr 3.5m on Firestone for infringing this provision. It is evident that it would be short-sighted of the trade unions to reject all judge-made law.

** House of Lords, Duport Steels Ltd. . . . TLR February 7, 1980; † Luke v IR, 1963 AC p.577; ‡ Northman v LB Barnet (1978) 1 All ER p.1243; § Einigungsamt Baselland, Chemical Workers Union and others v Firestone, Neue Zurcher Zeitung (NZZ) February 1, 1980.*

Veteran Sonny Somers is back

RACING

BY DOMINIC WIGAN

THAT REMARKABLE old campaigner Sonny Somers will for many be the chief attraction at Southwell today. The 18-year-old on whom John Francome gained so much valuable experience in his formative years as a rider bids for a 24th victory under National Hunt rules in the Star and Garter Handicap Chase.

The champion jockey's favourite horse maintains his form in extraordinary fashion and if, as I hope, he is battling for honours at the end, it will be the 10th consecutive race in which he has finished in the "frame."

Last time out Sonny Somers found only the nine-years-younger Irish Shamrock too good for him at level weights in Windsor's three-miles Boveney Handicap Chase. There, according to the highly informative "Chaseform Note-Book" Sonny Somers "began to force the pace a mile from home and kept on well when headed three out, finishing more like a youngster than a veteran of 18."

With even more bolding ground than he encountered at Windsor the each way chance of the Will Somers gelding is undeniable.

The opener on this card, which a year ago was lost through frost, is the first division of the Elm Tree Novices' Hurdle. Here I shall be interested to see how Jonjo O'Neill's mount Red Helmet performs, for Steven Smith-Eccles was standing by to partner Ian Wardle's charge in a similar event at Taunton later in the afternoon.

Red Helmet, a recruit to Wardle's yard from Mick O'Toole's highly successful Irish stable, faces a stiff task against the eight-lengths Huntingdon winner Irish Poet. Nevertheless, in receipt of 10 lbs from that six-year-old he may prove capable of making a winning début for his new stable.

In the other division of the Elm Tree Hurdle there seems little reason why Silver Bay should not follow up an eight-lengths victory here, though she is now raised in class; while at Taunton, Padro looks to be the best betting medium.

SOUTHWELL

1.30—Red Helmet***
2.00—Cap Too
2.30—Learned Lady
3.00—Boolavonge
3.30—Sir Bountiful
4.00—Sonny Somers*
4.30—Silver Bay

TAUNTON

1.15—Space Ship
2.15—Sea Swell
2.45—Flying Gamble
3.45—Padro**

TV Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.00 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Heads and Tails. 2.00 You and Me. 2.15 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School (as BBC 2 11.00 am). 4.20 The Robonic Stooges. 4.25 Jackanory. 4.40 Star Turn. 5.05 John Craven's Newsround. 5.10 Blue Peter.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.45 Olympic Grandstand.
7.40 To-morrow's World.
8.05 Wildlife on One.
8.30 Watch This Space.
9.00 News.
9.25 Play For Today.
10.45 Platform One.
11.15 Yehudi Menuhin at Lake Placid.
11.45 Weather/Regional News.

All Regions as BBC 1 except as follows:—

Wales—2.15-2.35 pm I Ysgolion. 5.55 Wales Today. 6.20-6.45 Heddiw. 7.40 Crufts. 8.25-8.30 Tom and Jerry. 11.45 News and Weather for Wales.

Scotland—10.10-10.30 am For Schools. 12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 10.45 Current Account. 11.15 "Tell Me On A Sunday." 11.55 News and Weather for Scotland.

Northern Ireland—11.30-11.50 am For Schools. 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.45 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
4.50 pm Open University.
†5.40 Laurel and Hardy in "Scram."
†6.00 Will Hay in "The Goose Steps Out."
7.15 Mid-evening News.
7.25 Newsweek: Report from Jerusalem.
8.00 It's Patently Obvious.
8.30 Public School.
9.00 M*A*S*H.
9.25 Man Alive.
10.15 The Vikings.
10.45 Newsnight.
11.30 Open Door.
12.00 Closedown reading.

LONDON

9.30 am Schools Programmes. 12.00 Toppers Tales. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Together. 2.45 The Spoils of War. 3.45 Looks Familiar. 4.15 Salvage 1. 5.15 White Light.

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 Wish You Were Here . . . ?
7.30 Bernie.
8.00 Armchair Thriller.
8.30 TV Eye.
9.00 Chief of Detectives.
10.00 News.
10.30 Inside Business.
11.00 Liberace's Valentina Night Special.
12.00 What the Papers Say.
12.15 am Close: Andrew Cruikshank's Personal Choice.

All IBA Regions as London except at the following times:—

ANGLIA

1.25 pm Anglia News. 2.45 Houseparty. 3.15 Superstar Profile. 4.15 The Bubblies. 4.25 Rocket Robin Hood. 4.45 The Next Week Show. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 Survival. 10.30 How's Your Father? 11.00 Power Without Glory. 12.00 The Living Word.

ATV

12.30 pm Gardening Today. 1.20 ATV Newsdesk. 4.15 Windows. 4.20 The Jetsons. 4.50 The Life and Times of Grizzly Adams. 6.00 ATV Today. 7.00 Emmerdale Farm. 10.30 Format V. 11.10 ATV Newsdesk. 11.15 Lou Grant.

BORDER

1.20 pm Border News. 2.45 Houseparty. 3.15 Out of Town. 4.15 Thursday Matinee: "Go West, Young Girl." 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 10.29 Border Weather. 10.30 Fireside Theatre. 11.30 Soap. 12.00 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where, and Weather. 4.18 Project UFO. 5.15 Emmerdale Farm. 6.00 Report at Six. 7.00 Walking Westward. 10.28 Channel Late News. 10.35 Logan's Run. 11.25 The Thursday Film: "Shadow In The Street." 12.40 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News Headlines. 4.15 Little House on the Prairie. 5.10 Mork and Mindy. 5.40 Police News. 6.00 North Tonight and Area Weather Forecast. 7.00 The Electric Theatre Show. 10.30 Soap. 12.00 Reflections. 12.05 am Arctic Winter Games. 12.30 North Late Night Headlines.

GRANADA

1.20 pm Granada Reports. 4.15 Salvage. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 The Incredible Hulk. 10.30 Celebration. 11.00 What the Papers Say. 11.20 Snooker Classic. 11.55 George Hamilton IV.

HTV

1.20 pm Report West Headlines. 4.15 Spiderman. 4.45 Wyatt's Place. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 7.00 Emmerdale Farm. 10.35 Gallery. 11.05 Kaz. 12.05 am George Hamilton IV.

HTV Cymru/Wales—As HTV West/ HTV General Service except: 9.52-10.07 am Am Gymru. 10.48-11.03 Mwy Neu Lai. 1.20 pm Penawdau Newyddion Y Dydd. 1.25-1.30 Report Wales Headlines. 4.45 Ser. 5.15-5.20 Cartoon Time. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Arena. 10.35-11.05 Image.

SCOTTISH

1.20 pm News and Road and Weather. 4.15 Larry the Lamb. 4.25 Little House on the Prairie. 5.20 Crossroads. 6.00 Scotland Today. 6.30 World Worth Keeping. 10.30 Sounds Gaelic. 11.05 Inside Business. 11.30 Late Call. 11.35 Mannix.

SOUTHERN

1.20 pm Southern News. 2.45 Houseparty. 3.15 Selwyn. 4.15 Project UFO. 5.10 Cartoon Time. 5.20 Crossroads. 6.00 Day By Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 10.30 Southern News Extra. 10.35 Cross-Channel. 11.05 Star Parade. 12.05 am What the Papers Say.

TYNE TEES

9.20 am The Good Word followed by North-East News Headlines. 1.20 pm North-East News Headlines and Lookaround. 4.15 The Lost Islands. 4.45 You Can Make It. 5.15 Wilkie in Winter. 6.00 North-East News Headlines. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 Northern Scene. 11.00 North-East News Headlines. 11.05 Invitation Snooker. 11.35 Check It Out. 12.05 am Soap. 12.35 Epilogue.

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News Headlines. 4.15 Little House on the Prairie. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 5.50 Police Six. 7.00 Emmerdale Farm. 10.29 Ulster Weather. 10.30 Counterpoint. 11.16 Family. 12.10 am Bedtime.

WESTWARD

1.20 pm Westward News Headlines. 4.15 Gus Honeybun's Birthdays. 4.18 Project UFO. 5.15 Emmerdale Farm. 6.00 Westward Diary. 7.00 Walking Westward. 10.32 Westward Late News. 10.36 Westward Report. 11.05 Politics West. 11.25 The Thursday Film: "Shadow In The Street." 12.40 am Faith For Life. 12.45 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 4.15 Fangface. 4.45 Salvage—1. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 10.30 With a Little Help. 12.00 The Mary Tyler Moore Show.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen. 7.00 Talkabout. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	200kHz/1500m & 92.95vhf	BBC Radio London: 1458kHz, 206m & 94.9vhf
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	4	1215kHz/247m & 90-92.5vhf stereo	Capital Radio: 1548kHz, 194m & 95.8vhf
				London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 2

5.00 am News Summary. 5.03 Steve Jones (S). 7.32 Terry Wogan (S). 10.03 Colin Berry (S). 12.03 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S). 4.03 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 Much More Music (S). 8.03 John Dunn (S). 8.02 Country Club (S). 9.02 Alan Dell with The Big Band Sound (S). 9.55 Sports Desk. 10.02 Windsor Davies Presents a variety bill. 10.30 Star Sound Extra. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

†6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Rachmaninov (S). 10.00 Now and Then (S). 11.15 Music for St. Valentine's Day (S). 11.50 Music from Poland (S). 1.00 pm News. 1.05 Manchester Midday Concert (S). 2.00 EBU International Quartet Competition (S). 3.20 Youth Orchestras of the World Concert, part 1 (S). 4.10 Interview with Shalon Ronly-Riklis. 4.20 Concert, part 2. 4.55 News. 5.00 Mainly for Pleasure (S) († and mono only from 6.20). 7.00 Talking About Music (S). 7.30 Beethoven's Last Violin Sonata (S). 8.00 In Repertory (S). 8.00 "Saigon Rose," by David Edgar (S). 10.20 Bruhns, Bach and Dupré organ recital (S). 10.55 Music In Our Time (S). 11.55-12.00 News.

VHF only—6.00-7.00 am and 6.20-7.00 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day; 7.00, 8.00 Today's News; 7.30, 8.30 News Headlines; 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.05 Parent Power. 10.30 Daily Service. 10.45 Four Frightened People. 11.00 News. 11.05 Analysis. 11.50 Through My Window with Dr. David Bellamy. 12.00 News. 12.02 pm You and Yours. 12.27 Detective. 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre (S). 4.10 Smith Again with Phil Smith. 4.15 Any Answers? 4.45 Short Story. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Brain of Britain (S). 7.00 News. 7.05 The Archers. 7.20 Time For Verse. 7.30 Kaleidoscope. 8.00 Philharmonia Orchestra concert, part 1: Vivaldi (S). 8.45 Odds On Favourite. 9.05 Philharmonia Orchestra, part 2: Beethoven (S). 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Tony Blackburn Telephone Programme. 1.03 pm London Live. 3.03 John Toogood's Showcase. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 Question Time from the House of Commons. 9.00-5.00 am Join Radio 2.

London Broadcasting

5.00 am AM with Bob Holness and Douglas Cameron. 10.00 The Brian Hayes Show. 12.00 LBC Reports. 8.00 pm Therese Birch—After Eight. 9.00 Geoff Sims—Nightline. 12.00 LBC Reports Midnight. 1.00 am Carol Allen—Night Extra.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm John Sachs (S). 7.00 Lord George-Brown's Capital Commentary (S). 7.10 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,200

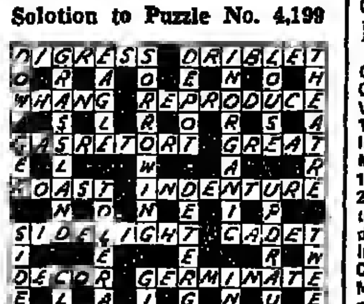
ACROSS

1 Smart-alec used by diviner (6,5)
7 Group put in place (3)
9 Soldiers turn on master in letter from abroad (5)
10 Concerning Will proving to be a sinner (9)
11 Precision to demand by loch (9)
12 Joint left to go in prayerful state (5)
13 Foreigner reveals what it means to be drunk with gin (7)
15 Ruin daughter having two rounds with Frenchman (4)
18 Pole has tug to put away (4)
20 Caught in the past by a student disguise (7)
23 Divert one in nine (5)
24 Confusing composer with fish (9)
26 Company member fools with drawing instrument (9)
27 Month seventh note put back in composition (5)
28 Day to return many thanks (3)
29 Secretary's key mistake (6,5)

DOWN

1 Accountant took off at home and made a profit (6,2)
2 Sharp side off to retreat (4,4)
3 Perform measure—do (5)
4 Continue to move up and down with doctor (7)
5 One thousand sat for painting set as a burden (7)
6 Low priced to sell at auction (5,4)
7 Poles a comrade trapped (6)
8 Singer taking chance on pools (6)
14 Victims on way to guillotine were awkwardly placed (2,3,4)
16 Time Dora got involved with go-between (8)
17 Less important fire raiser from the south (8)
19 Labour takes bribe in Notts (7)
20 Cry to look out wickedness collapses (5,2)
21 Gold and copper in Civil Service select political group (6)
22 Court case about decoration reaches its peak (6)
25 Free to slack (5)

Solution to Puzzle No. 4,199



ENTERTAINMENT GUIDE

OPERA & BALLET

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THEATRES

[illegible]

CINEMAS

[illegible]

ART GALLERIES

[illegible]

هكذا من الأصل

THE ARTS

Riverside Studios

Danny Grossman

by CLEMENT CRISP

Danny Grossman and his Dance Company are at the Riverside Studios as part of the Dance Umbrella until today, and I would urge anyone interested in dance to journey through the insalubrities of the Hammersmith underpass to see them.

We remember Grossman as a tremendous member of the Paul Taylor company; now with his own troupe of very gifted artists he is also revealed as a choreographer of notable originality and wit, owing something still to Taylor, but very much his own man.

The programme on Tuesday opened with a nicely mocking view of patriotic bombast in *National Spirit*: red, white and blue costuming, some zany countermarching, and a general feeling that the spirit was willing but the flesh ultimately weak in hailing the flag, were the ingredients of this amiable joke.

Danny Grossman's solo, *Curious Schools of Theatrical Dancing*, is a more serious and brilliant study, set to a Couperin harpsichord suite. Inspired by Lambranzi's celebrated 18th century manual, it is an exercise in eccentric virtuosity, in which he impersonates a grotesque dancer, an unhappy and disquieting clown whose movements are tightly controlled, yet suggest profound unease of spirit.

Given with extreme muscular bravura, they show Grossman as a grand performer, capable of movement both disjointed and suddenly galvanic in energy. Extraordinary, unforgettable. No less powerful the succeeding *Ecce Homo*, in which seven members of his company are seen as penitents in imagery drawn from religious art—from Michaelangelo to Blake. The mood is sombre, agonised; the simplicity of the dance language has its own urgency, and—final accolade—it detracts not at all from the accompanying Bach cantata. The manner is something like that of MacMillan's *Requiem*, and as with that noble work, the sincerity of the dance speaks clearly and powerfully of its theme.

The two other pieces in the programme are somewhat slighter. *Flurry and Bebop meet Sideslip and the Muse* is as unpredictable as its title. To some dizzying jazz piano records (Cecil Taylor, Art Tatum, Thelonius Monk) there are darkly surreal punk goings-on, which ally their improbabilities to a black humour and a fraught eroticism.

And finally, in *Higher*, Grossman and Judith Hendin, with the help of a ladder, two chairs and some Ray Charles songs, contrive to couple while exploring a taxing range of balances and slides over the furniture, with Grossman's slow-motion control total justification for the piece.

For Grossman and his fine ensemble, who are now based in Toronto, admiration and gratitude: if this is Canadian contemporary dance, let us have more of it. In wit, skill and sensitivity, it puts most local exponents absolutely in the shade.

Leonard Burt

Judith Hendin and Danny Grossman in 'Higher'

Record Review

A Berlin Pelléas

by RONALD CRICHTON

Debussy: *Pelléas et Mélisande*. Von Stade, Denize, Stilwell, van Dam, Raimondi/Berlin Phil/Karajan. Three records in box. EMI SLS 5172. £15.95

Massenet: *Don Quichotte*. Crespin, Bacquier, Ghiaurov/Suisse Romande Chor. and Orch./Kord. Three records in box. Decca D 156D 3. £15.75

Karajan's *Pelléas*, recorded for EMI with the Berlin Philharmonic and a hand-picked cast, is an extraordinary recording. Extraordinary for shining quality of sound reproduction and for quality of orchestral playing. In this opera Karajan shows unusually deep personal involvement. He and the great orchestra are in love with this music, as indeed they should be. But there is an equally extraordinary failure to see when enough is enough. The superb Berlin double basses roar in the entractes as if they were marching to a climax in Bruckner. The short, sharp interjections with which Debussy punctuates some recitatives become explosions of gunfire. It is true that in quiet pages one hears details often missed, but as well one notices less welcome things, like a failure to observe Debussy's markings for detached notes. When this happens one scents the invertebracy sometimes worrying in this conductor's readings of Viennese classics.

As a sensual experience it is intoxicating to sink into Debussyan sonorities of such luxuriousness, as Karajan wraps the score in layer after layer of pearly haze. Disenchantment comes with awareness of missing essential phrases in the text because the voices, or at least the words, are temporarily swamped by the orchestra. It isn't simply a question of balance. In quiet scenes one can catch the lightest inflection of, say, Frederica von Stade's Mélisande at the same time as every whisper of the orchestra. But at climaxes (and in the loud but not, as written, very loud passages which here become climaxes) the orchestra is given parity with the voices and of course it wins. Since so frequent a phenomenon cannot happen by accident with such a high level of technical expertise, this is presumably what Karajan wants.

So we are unable, to take one glaring example, to hear, really hear and appreciate, how Jose van Dam sings the crucial phrases in the appalling scene in Act 4 where Golaud maltreats Mélisande. Since van Dam is a Golaud in a hundred, the only one in my experience since Vanni Marcoux and Etcheverry able to convey terrible, devouring jealousy in terms of controlled classic singing, this is maddening. Fortunately there are two important scenes where Debussy gives few opportunities for inflating the musical texture. One of them is the episode of the child Yniold (Christine Barbaux) and the sheep, delightfully captured. The other is the treacherous fifth and last Act which can easily seem too long. Karajan, aided by some very superior singing, judges this to admiration — Boulez did so too, but from a different standpoint, less as drama than as absolute music.

Von Stade's Mélisande is so lovingly thought out and delicately executed that it seems horrid to point out that she hasn't got the power of utter, devastating simplicity with which Joachim (see below) could charge the smallest handful of words and notes. Richard Stilwell's Pelléas is almost equally intelligent and sensitive, but on record the voice goes dry in the middle register. This gives a nervous effect not out of keeping but does not help to make Pelléas sound younger than Golaud. A surprise is the withdrawn, gentle, very idiomatic Arkel of Ruggero Raimondi. Nadine Denize (fine voice) allows Geneviève's reading of the letter to drag—most of the principals encouraged no doubt by the voluptuous atmosphere overindulge themselves in this way at one point or another.

French EMI have re-issued a famous old recording of *Pelléas* made during the war, nearly 40 years ago, with the distinguished conductor Désormière and a cast, including Irène Joachim, Jacques Jansen and Henri Etcheverry, that long remained famous (those four came with an Opéra-Comique company to Covent Garden in 1949). There are apparently no plans for an issue in this country, nor arrangements for import. But for those who can buy the set in France (for *Pelléas* lovers it is almost worth a day trip) the numbers are 2C 153-12513-5. The orchestral sound is antiquated but clear: Désormière's well-defined tempos have coherence, lucidity and inner strength. Joachim and Etcheverry are mentioned above. In the years after the war I found her slightly disappointing in the flesh—not here, on disc. Jansen's Pelléas is exemplary. Geneviève and Arkel, both very good, are Germaine Cernay and Paul Cabanel.

The Massenet revival has produced few things so good as the Decca *Don Quichotte*. This was a late work (Monte Carlo, 1910, Shalyapin in the title-role). Even during the fallow years *Don Quichotte* never quite disappeared from sight. Fairly recently it was given at Wexford and, in a production best forgotten, at the Paris Opéra. The libretto is based on Cervantes at one remove. There are five nominal acts, three of them very short, a point worth mentioning because Massenet compressed (as in *La Navarraise*) is better than Massenet drawn out. He had a fine nose for proportion, with the ability to pin down a mood or sketch an ensemble in a matter not of pages but of bars. And on a small scale one isn't so conscious of musical invention being in short supply—the agitated overworking of material to which he resorts, for instance, in the last act of *Werther* does not become necessary.

There are three principals—Quixote (bass), Sancho Panza, his squire (baritone), an excellent part in which an unscrupulous singer can steal the opera, and Dulcinea (mezzo), the town tart, endowed by Quixote which exalted qualities she doesn't possess though she does indeed have a good heart. The Spanish-type ensembles in the Dulcinea scenes are effectively elaborated by a quartest of her admirera, two of them *travestis*, rather like similar vocal scherzos in Donizetti's *Lucrezio Borgio*. Massenet's touch is sure. He even brings off an organ accompaniment for the prayer by means of which Quixote persuades a brigand chief to surrender Dulcinea's stolen necklace. There is a moving moment when Sancho, finding sudden eloquence, rounds on Dulcinea's admirers for mocking at his master. The last act, entirely concerned with the Knight's death, has a restraint and tenderness that seem to come from *L'Enfance du Christ*.

Kazimierz Kord conducts the Swiss Romande Orchestra — whether he and they are experienced Massenet interpreters or *Don Quichotte* was a delightful discovery, results are most happy. Nicolai Ghiaurov sings Quixote. He is a slow starter, but when he finds his best form about halfway through he is splendid. The Sancho Panza is Gabriel Bacquier, who uses a formidable armoury of comic resource with what one can only describe as powerful restraint. Régine Crespin's Dulcinea has so much authority (and is so touching in the scene where she explains to Quixote why she can't marry him) that one can excuse some bulging phrases elsewhere. Each of the principals, the Bulgarian bass included, relishes the skill with which Massenet sets the French language. Dulcinea's admirers — Michèle Command, Annick Dutertre, Peyo Garazzi, Jean-Marie Fremeau — must have a mention. A most attractive set.

Julia Foster

Leonard Burt

Lyric, Hammersmith

Country Life

by B. A. YOUNG

Goldoni's *Villeggiatura* is a sequence of three plays, but Robert David Macdonald's version, made for the Citizens, Glasgow, condenses them into one three-act piece. It plays for three hours, but seems longer; it even seems longer than the four and a quarter hour version I saw four years ago in Vienna. I think this is because Mr. Macdonald has concentrated on the more frivolous aspect of the trilogy; the first act, for instance, though it serves to introduce the two marriageable couples Leonardo and Giacinto and Guglielmo and Vittoria, really deals with nothing more than the family arrangements for travelling to the holiday villa in Montenero. The second act is given over to amorous misunderstandings, and the third clears them up. Not by means of any contrived happy ending, however; duty is triumphant, and the couples marry for honour, not for love.

Kenneth Mellor has set the scenes in Leonardo's house in the open, with a pretty mound of Italian architecture upstage. This too leads to some risk of tedium, for the effect, though in theory we are moving constantly from one house to another, is of no more than a constant coming and going into the same area, and there is too little opportunity for intimacy.

The company, directed by David Giles, is a pretty good one on the whole. Julia Foster and Ciaran Madden are enchanting as the girls, and Miss Foster particularly has devised a faintly artificial style of movement to match the faintly artificial English of the translation ("I'm obliged to you for the fulsome panegyric you have just delivered"). David Gwillim is Leonardo, the gentleman whose expenditure on frivolities almost wrecks his marriage prospects. His rival, Guglielmo, played by Keith Drinkel, is supposed to be hidebound by an immutable code of honour, but he seems more bad-tempered than dignified in his display of it.

The play is littered with ornamental characters who have only marginal functions. I could have done without Togulno, the boyish medical student, who looks every bit of 40 in Peter Bourke's rendering; and I could have done without the romance of old Sabina and silly young Ferdinando if the characters had not been played so superbly by Ellen Pollock and Peter Eyre. But there is plenty of goodness in the main plot, if you can keep your mind on it; and most of the acting is thoroughly enjoyable.

Offenbach centenary productions

A committee has been formed to promote and co-ordinate performances of Offenbach's operettas in Britain, during 1980, centenary year of the composer's death. At Covent Garden the Royal Opera will mount a new production of *The Tales of Hoffmann*. The English National Opera's production of the same work can be seen at Leeds.

At the London Coliseum ENO revives *La Belle Hélène* and *La Vie Parisienne*. Scottish Opera plans a new production of the latter work in Glasgow. Intermezzi Ensemble are staging three one-act pieces at Perth and Edinburgh. In London, John Lewis Partnership is offering *Geneviève of Brabant*, while the Singers' Company tours its production of *La Périchole* through the regions.

The ballet *Papillon*, newly staged by Ronald Hynd, will be toured by Sadler's Wells Royal Ballet. A dance version of *Hoffmann* is one of Scottish Ballet's contributions to the Edinburgh Festival.

Other events include a Centenary Dinner, a cross-Channel balloon flight, Offenbach exhibitions at the French Institute and the Wimbledon School of Art, a film season at the National Film Theatre, and publication of various books and recordings.

E.F.

Elizabeth Hall

Hasson

by DAVID MURRAY

Maurice Hasson is an almost aggressively stylish violinist, one who devotes himself so strictly to the music in hand as to suppress — mostly — any personal inflections. Honesty compels him also to reveal, more or less continuously, that he is a virtuoso of parts. All this results in high-definition, high-voltage performances, as in his recital on Tuesday with Ian Brown, seasoned with much more pepper than salt.

In the first half of the programme, well-honed, gleaming accounts of Mozart and Beethoven sonatas—respectively K.296 in C and op. 30 no. 3 in G—enclosed Bach's solo Sonata in G minor. Both the Mozart and the Beethoven were ferociously sprightly; each contains an Allegro vivace which was here indistinguishable from a Presto, but with no real musical losses incurred. There was just a little anxiety about whether piano and violin in the Beethoven Finale might lose each other in the rush. One was left breathless, not least by Hasson's ability to drive points home without slackening his drive for a second. A suspicion remained that all this pressure was gratuitous, however harmless. In the Bach Hasson seemed to regard the overt technical demands as sufficient challenge, for his toughly shaped performance had no excess surface electricity; the Fugue, indeed, was splendidly sustained, and in the Siciliano there was even something like introspective calm.

The French half of the generous programme offered many acute perceptions and was yet a qualified success. Part of the enormous charm of Fauré's First Sonata lies in its deceptive ease; it was a pity that Brown lost the opening tune in a clatter of figuration, but in any case Hasson's tight, fast vibrato and his taste for extremely sharp dynamic hairpins guaranteed a strenuous effect. Even the Andante seethed. Sheer intellectual control brought out the inventive detail of the music very strikingly nonetheless. Ravel's *Tzigane*, which offers less, lost more: Hasson was puritanically severe with the fake *lassu*, which wants unbridled passion to the point of parody, and he began to sound at home only when the music multiplies difficulties over a rising heat. His partner kept up with him bravely. More expansiveness would not have to compromise Hasson's high standards in the least.

Diners Club backs LSO tour

The London Symphony Orchestra has attracted £20,000 sponsorship for a 75th anniversary tour of West Germany and Austria. The money was put up by Diners Club International, who will pay for the deficit the orchestra incurs on its fortnight's tour, which starts on February 21.

Peter Hemmings, the LSO's managing director, said this week: "The chances of getting money out of the Government (for tours) are so slim that there's no point in discussing it with them and so we're looking more and more to commerce and industry to provide us with subsidy for overseas tours."

The orchestra will give 12 concerts in 11 cities under the baton of principal conductor Claudio Abbado, and Eduardo Mata.

Oxford Playhouse

Jessonda

by MAX LOPPERT

The Oxford University Opera Club has revived one of the more important examples of early German Romantic opera: Spohr's *Jessonda*, first given at Cassel in 1823, and, until the decline in popularity that has left the work no more than a footnote in operatic history, one of the most admired and popular of the genre. Its immediate success was hardly less impressive than that of *Der Freischütz* a few years earlier; an essay in this month's Musical Times by the Oxford conductor and translator, Clive Brown, relates the fulsome praise of, among others, both Brahms and Wagner — the influence on the latter and also Meyerbeer was not only acknowledged but put to significant use.

Spohr, one of the leading musicians of his day, survives now as a facile, immensely industrious, highly accomplished creator of chamber music; the double string quartets, the sextet, octet, and nonet are still capable of giving mild pleasure. The oratorios that so impressed Victorian taste are forgotten; and before Tuesday's performance, curiosity was naturally keen about another substantial part of his *oeuvre* (he wrote 11 operas, including a *Faust*) also hidden now from view. Curiosity has been satisfied — barring the surprises that future performance of genius may hold in store, satisfied completely. The opera was on Tuesday revealed as a fluent, respectable, tidily finished piece of little intrinsic dramatic interest and less imaginative daring.

Jessonda, taken from a French novel, is a late example of the Rescue Opera: the eponymous heroine, a widow on the island of Goa, is at the last minute saved from the act of suttee by the Portuguese general Tristan d'Acunha, the lover from whom she had originally been separated in a forced marriage. The three acts unfold in music of mellifluous periods, square in shape —the four-bar phrase, regularly answered, is universally dominant—yet scored with the kind of sweet, ample, balanced orchestral sonority, especially attractive in its string writing, that recalls to memory Spohr's as a renowned violin virtuoso, conductor, and practical musician.

Shut your eyes at any moment and the exotic location disappears entirely from consideration — judged from its homely rhythms (in which a bolero-style 3/4 is the last word in daring) and the neat, conjunct phrases, the music would serve quite as well to recount a Biedermeier tale of sentiment in a Schwarzwald setting. Hindsight aids one in hearing the early attempts at "through-composition," the chromatic wanderings (during Tristan's recitative at the start of Act 3 Tannhäuser's narration hoves into earshot), with the proper degree of historical appreciation; so too the pre-Meyerbeerian finale of the second act. As a whole, and despite the agreeably innocent air of several of its set-pieces, which would still be happily heard in a drawing-room ambience, the effect of *Jessonda* is to secure a vividly focused impression of what it is in Weber and the young Wagner that keeps their operas not only historically important but dramatically durable and fresh.

The production by Sally Day from the Welsh National Opera, though it (and Mr. Brown's translation) provoked the audience's mirth more than once, was in the main effectively grouped; simple scenery and brightly coloured Indian garments worked well, despite the fact that the absence of enclosing sets tended to send the voices up into the flies rather than out into the audience. Miss Day was less effective with her obviously inexperienced young professional cast—this might have drawn attention to itself less frequently had Spohr's emotional characterisation not proved so superficial. The most polished player was the baritone Christopher Blades (Tristan), the most promising voice belonged to the mezzo Linda McLeod (Jessonda's sister Amazili, a source of subsidiary love interest, if that be the *mot juste*). Capable orchestra, ensemble less wayward than is often the case in student opera; Mr. Brown's enthusiasm, even if it could not be shared, was clearly demonstrated.

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Thursday February 14 1980

North should help South

THE North-South dialogue between the world's richer and poorer nations has never had much impact on the man in the street. The issues involved are either too vast or too minute for easy understanding, and, for Westerners, often too uncomfortable. At one end of the spectrum the dialogue is about the eradication of mass hunger and poverty in the Third World, and the future of the planet's energy supplies; at the other it is about complex technical details of commodity price stabilisation schemes or the servicing of international debts. It takes place in interminable international conferences in Geneva, Paris or Manila which only experts can follow. The subsistence farmers in the Sahel and the slum-dwellers of Lima have almost certainly never even heard of it.

Brandt report

It is, therefore, unlikely that many people other than those immediately concerned will read this week's report by the Brandt Commission on North-South relations, entitled "A Programme for Survival." That is a pity. The issues raised, in one way or another, affect every single inhabitant of the earth, and they are not going to go away. What the Brandt Commission wants to see, on world scale is the sort of radical change in relations between rich and poor nations that has already occurred between rich and poor people in individual developed countries since the industrial revolution. What is more, the report argues, the proposed massive transfer of resources from rich North to poor South is in the North's interest.

That the North has an interest in the development of the South is undeniable. If the poor go on getting relatively poorer and the rich richer, in an age of mass communisation, enormous political pressures are going to build up in the medium to long term. Economically, the industrialised countries are going to need the markets of the developing countries if growth is to continue, just as they need the South's raw materials. Equally, Third World industrialisation will help to spur the advanced countries into developing new technologies and new industries more appropriate to their high-wage economies. It is short-sighted to argue that the North's current economic difficulties mean that the South will have to wait.

The problem is how to bring such an international economic miracle to pass. The South is itself divided in its interests (what is good for Taiwan is not necessarily good for Tanzania) and often unrealistic in its demands. It is often led by its most radical elements. Some of the proposals put forward by the Brandt Commission—taxes on arms sales or on trade in general, for example—would require the sort of international co-operation, and international structures, that the world has shown no sign of being able to achieve. A tax on the arms trade might be an admirable idea for all sorts of reasons, but it is hard to see how it could be enforced. The Soviet bloc, for instance, has so far played only a marginal role in the dialogue.

There are two major areas, however, where progress can and should be made without months of wrangling in Geneva. First, every effort should be made to remove the bogey-man image from transnational companies, the resources of which could play an important part in world development. For their part, the Governments of poorer countries should be willing to be more pragmatic in their dealings with the transnationals. It is perfectly possible to negotiate practical arrangements that benefit both parties.

Adjustment

Secondly, the Governments of industrialised countries should be far more prepared to open their markets to the exports of the developing nations. Technical change inside industrialised countries has caused far more unemployment than Third World imports, and, in any case, the developed nations are going to have to get seriously to grips with the adjustment process sooner or later. The later it is left, the more difficult it will be. Meanwhile, the dialogue must continue—with the closest possible involvement of the oil producing countries. Other groups of countries have so far failed to build up the muscle of the oil producers, but there is no guarantee they will not do so in the future. If the North is wise, it will not wait until the South finds a way of forcing it to negotiate on the South's terms.

Next steps at BL Cars

THE RESULT of the ballot on BL Cars' pay and productivity proposals cannot be regarded as anything other than a setback for the company. Although the union's rejection of the proposals was supported by slightly less than half of those eligible to vote, the management has not obtained the mandate for change for which it had hoped. Yet the need for change is as urgent as ever. There is no way in which the company can either pay higher wages or relax its drive for greater productivity. The task now is to re-start discussions with the union negotiators and to seek once again an agreed framework within which the necessary improvements in efficiency can be achieved. The meeting due to be held tomorrow is the first step along this road.

High stocks

The atmosphere for the meeting has not been helped by this week's announcement that, because of the decline in sales and the build-up of stocks, the company would be forced to lay off many thousand employees for an indefinite period. But it may be that this announcement, by driving home the reality of BL's precarious position in the market, will concentrate the minds of the negotiators and make them aware of how little time is left for the company to solve its internal problems.

UK sales of passenger cars are likely to fall by between 10 and 20 per cent this year. With export demand also tending to contract, a cut in BL Car's production is unavoidable—even if the company holds the 20 per cent share of the domestic market which it achieved last year. Without taking into account the need for higher productivity, the company is employing more men than it needs. Stocks have to be reduced to avoid excessive strain on working capital and the labour force cut back. It is possible that the plant closure programme to which BL Cars is committed will have to be accelerated.

New models

Some union critics attack the management for slimming down the business too drastically; they argue that the company has set its sights too low and is paying the penalty. But BL Cars cannot produce cars which the public does not want to buy. The taxpayer, who has made a large contribution to BL over the past five years, cannot be expected to go on subsidising a labour force which is far in excess of requirements. There is still a chance that with around 20 per cent of the market, BL Cars can stay afloat until the new models come in—but only if manufacturing costs are brought down, by reducing capacity and using the capacity which remains efficiently.

Liquidation

That chance would very quickly disappear if there was another serious confrontation between unions and management. While a stoppage might theoretically be less damaging to the company at a time of high stocks, it would indicate to the world that BL's internal labour problems are as far away from a solution as ever. Its effect would be to undermine what confidence remains among dealers and customers and hasten the demise of the company. There could come a point—and it is not far off—when the Board of BL and the Government will decide that the attempt to maintain BL Cars in its present form is hopeless and that a break-up or liquidation is preferable to a slow disintegration.

The union negotiators who meet the management tomorrow must be well aware — as are the men they represent — of how near the precipice BL Cars now is. Although they won the ballot, in the sense that a majority of those voting supported their side of the argument, there is no sign of enthusiasm for an all-out strike — either over wages or over the dismssal of Mr. Derek Robinson. At the same time the management can hardly ignore the result of the ballot. There is clearly dissatisfaction on the shop floor about wages and other aspects of the company's proposals.

It is virtually inconceivable that the management could force through the changes which it wants against the determined opposition of the union representatives. An agreed solution has to be found.

TRANSFERS BETWEEN WHITEHALL AND INDUSTRY

Time for a change of attitude

By JOHN ELLIOTT and PETER RIDDELL

IN JAPAN it is known as the "heavenly descent" and in other countries such as France it is regarded as a logical aspect of partnership between Government and industry. But in Britain the movement of civil servants into industry is regarded with mistrust, and is generally considered to be another example of "jobs for the boys."

The subject is at present causing mild political ripples that could develop into a storm. MPs in the Select Committee on the Treasury are investigating the motives of the country's top administrators such as Sir John Hunt, the former Secretary to the Cabinet, who move into the private sector. Now a life peer, Sir John is this month taking up the London chairmanship of the Banque Nationale de Paris as well as non-executive directorships of Unilever and the Prudential Assurance (where he will find Lord Caccia, former ambassador to Washington and Lord O'Brien, former Governor of the Bank of England already established).

Such moves are often regarded with suspicion because of fears that an appointment might be a reward for services rendered while the civil servant was still in Whitehall, or that the secrets of the Government and of other companies might be passed on to the civil servant's new employer. The fact that some companies seem to make a conscious effort to fill their boardrooms with former public servants increases the suspicions.

The most commonly attacked appointments are those like Sir John Hunt's directorship, Lord Armstrong's chairmanship of the Midland Bank, and the Racal directorship of Admiral Sir Edward Ashmore, former chief of the defence staff and a military electronics expert. These people have reached the pinnacle of the civil service or armed forces, and then augment their index-linked pensions—sometimes to the tune of several thousands of pounds—by some congenial part-time occupations at the end of their official careers, sometimes in companies with a sensitive relationship to the Government.

They often explain their wish to take on the jobs by saying that they should not be forced into inactivity at the relatively early public service retiring age of 60, when they have useful years of work left in them. But their critics, doubting the value of such appointments to industry, would say that their energies should be directed to less lucrative and less commercial activities. As a result, the issue of the rights and wrongs of such appointments has been raised every few years since the 1930s and is likely to become more important as Whitehall's contacts with industry increase and companies spot civil servants they would like to employ.

A less well publicised but potentially more important interchange between Whitehall and business is the movement of high-flying younger civil servants in their late 30s and 40s, who give up the comfortable Civil Service promotion ladder and chance their career by tackling a completely different style of life. Some of them are listed in the bottom half of the adjoining table.

The best known examples are Sir Alex Jarratt and Sir Alan Lord, both of whom decided to have a go at running something themselves instead of being advisers to policy-making Ministers. Other examples include men like Sir Leslie Murphy and Mr. John Barber who were attracted by the opportunities of the private sector lower down the civil service ladder in their 30s, and who moved out into more junior jobs. There are also many more who have been privately approached at various stages in their careers but who have decided not to move.

Public interest affirmation

Rules covering all these appointments were initially laid down by the Government in 1937. They were reviewed in 1975 and state: "It is in the public interest that people with experience of public administration should be able to move into business and industry, and that the possibility of such movement should not be frustrated by public concern over a particular appointment. It is also no less important whenever a Crown servant accepts a particular business appointment that he should not be open to any suspicion of impropriety."

To operate the rules and check on prospective appointments, an advisory committee was set up in 1975 under the chairmanship of Lord Diamond, a former Labour Minister. It vets all prospective jobs of permanent secretaries and other senior officials of the home and foreign services, and the armed forces. Everyone from under secretary upwards has to obtain official consent for jobs taken within two years of leaving the Civil Service with companies that have commercial, financial or other dealings with the Government.

Depending on the seniority of the person involved and the sensitivity of the job, the application may go as high as the head of the Civil Service or the Prime Minister herself, who will also consult Lord Diamond's committee. The application may then be approved or rejected outright, or be approved subject to certain conditions. A permanent secretary in any case can never take up a new job till a three months "quarantine" period has elapsed after leaving the Civil Service (by which time his sensitive knowledge is apparently regarded as out of date). The maximum quarantine for all grades is two years, a period which is regarded as an "effective deterrent." Alternatively the person's freedom to deal with the Government or his employers' competitors may be restricted for up to two years.

Figures produced recently by the Civil Service Department, which is in charge of vetting sensitive applications not automatically cleared by individual departments, show that most applications are approved. Even the Diamond Committee has rejected only four out of 117 cases. Since 1975 for example, 48 civil servants of under secretary rank and above have submitted 73 applications of which only one has been rejected. Full approval was given to 55 (including those from permanent secretaries who have the automatic three month quarantine), while 17 were approved subject to further conditions.

Despite the high rate of approvals, the vetting system may itself account for the fact that such movements are relatively rare. In particular, the two-year waiting period is intended to be regarded as a refusal. "Few people these days are rich enough to gamble on a post being open after two years. And during which time they must find alternative income if they have not reached retiring age," said one civil servant.

MPs have been worried about the alleged cosiness of these arrangements — pointing out that all six members of Lord Diamond's committee have themselves been in public life. Moreover, there is no legal compulsion about the rules. Two years ago the former Commons Expenditure Committee recommended that "the Government's concurrence should be required contractually or by legislation when ex-civil servants are appointed by companies to jobs with close financial links with Government." This proposal was rejected, largely because of the difficulty of devising an acceptable or effective legal sanction, and Ministers are still reluctant to take such action. In practice, however, most large companies would be extremely loath to offend Whitehall by hiring officials and breaching the rules, since they are often dependent on Government for contracts and financial help.

Another reason why there are so few transfers is that many companies would not think of recruiting civil servants while others worry about how such people would cope with the rigours of profit and loss. In any case many civil servants rarely meet companies. Most civil servants who have made the move have come from Government Departments which have close contacts with industry and they have been spotted during the course of their daily work.

In the 1950s it was the Ministries of Supply and Fuel and Power, and sometimes the Treasury, which had the industrial contacts and enabled men like Sir Leslie Murphy, Mr. Ashley Raeburn and others to be noticed by major companies with which they dealt. (Mr. John Barber answered a job advertisement at a time when several civil servants were becoming frustrated and looking for new openings.) Later Sir Alex Jarratt was spotted by Reed International when he handled monopolies policy at the then Department of Employment and Productivity (and raised a few eyebrows by going to Reed's new IPC subsidiary after being involved in approving the merger of the two companies). Sir Alan Lord was handling industrial policy at the Treasury when he was approached by Dunlop.

Many of these men have been successful in their new careers although there have been some failures. Sir Leslie Murphy rose quickly within Mobil and then Iraq Petroleum before going to the City and then the NEB, while Mr. John Barber, who was hired by Ford when the motor company was actively trying to broaden the professionalism of its management, became finance director before switching to AEI and then to BL.

Now a new generation of civil servants are making the move and two of the most interesting are from the Treasury which, because of its greater isolation, has not often figured in the younger mid-career moves. Mr. Brian Hudson was exposed to the wider world outside Great George Street when he became secretary of the Wilson Committee on Financial Institutions, and was then hired by the Nordic Bank. Mr. Stanley Wright spent some time on secondment at Lazards which then recruited him full-time after he returned to the Treasury. (Secondments between industry and Whitehall have increased in recent years and are regarded as useful, even though they may occasionally lead to a permanent transfer.)

Inevitably, more is known about the successes than the failures among all these moves; but many of those who have made a transfer in mid-career have done well, both for themselves and for their companies. There is, however, still no real tradition of cross-fertilisation and Lord Cockfield and Sir Leslie Murphy are two of the rare examples of people moving in and out of the public sector.

Salary level differences

Generally those who make the initial move quite quickly attain salary levels far in excess of their Whitehall earnings where the top senior ranks receive between £20,000 and £30,000 a year compared with the £40,000 to £100,000, or more, available for top executives in industry. This sharp difference in salary levels is the main reason why so few ex-civil servants go back into Whitehall.

The formality of career structures in Britain is partly to blame for the lack of movement in both directions. Industrialists and civil servants say it becomes increasingly hard for someone to move into an executive job as he becomes older. To some extent this reflects the difficulty of learning and adapting to the skills needed for line management after the late 30s. The same point applies in reverse because civil service recruitment by competitive examination, and a rigid Whitehall career hierarchy, have meant that only a handful of industrialists have moved across.

This contrast also highlights a deeper career division within the UK between the public and private sectors, which may be partly explained by the educational system. This is in marked contrast to France where top civil servants and industrialists have often been through the same post-graduate institutions where economics and technology are part of a joint syllabus. This shared training is one reason for a much freer interchange of personnel between Government and industry in France.

What is needed now is a more open debate about the issues involved so that transfers between Whitehall and industry become more common, whether or not the civil servant has had contact with his prospective employer. The danger at present is that the fascination of MPs with the non-executive jobs, each worth perhaps up to £5,000 a year, taken by ex-Permanent Secretaries at or near retirement may retard the potentially much more significant and useful moves of people with 10 or 20 working years ahead of them. In Japan the system is called "heavenly descent" because it is said to be the less successful civil servants who move out to industry. In the UK the aim should perhaps be "heavenly ascent," with moves in both directions between industry and the Civil Service becoming an accepted method of advancing one's career.

EXAMPLES OF SENIOR CIVIL SERVANTS MOVING AT OR NEAR RETIREMENT

Name, final Civil Service job and date of leaving	Age when leaving	Outside appointments taken up
Lord Roll, Permanent Secretary, Economic Affairs—1966	59	Chairman SG Warburg and Mercury Securities, Bank of England director, director of Times Newspapers, etc.
Lord Greenhill, Head of Diplomatic Service—1973	60	Non-executive director of BP, British Leyland, SG Warburg, Wellcome Foundation, British-American Tobacco, Hawker Siddeley, Clerical Medical and General Assurance.
Lord Armstrong, Head of Civil Service—1974	59	Chairman of Midland Bank.
Sir Anthony Part, Permanent Secretary, Trade and Industry—1976	60	Chairman Orion Insurance, non-executive director of EMI, Metal Box, Savoy Hotel, [illegible] Debenhams, Life Association of Scotland.
Lord Croham, Head of Civil Service—1977	60	Part-time deputy chairman of BNOC, adviser to Bank of England.
Admiral Sir Edward Ashmore, Chief of Defence Staff—1978	58	Director of Racal Electronics.
Sir John (Lord) Hunt, Secretary of the Cabinet—1979	60	London chairman of Banque Nationale de Paris, non-executive director of Prudential Assurance and Unilever.

EXAMPLES OF CIVIL SERVANTS MOVING IN MID-CAREER

Name, last Civil Service post and date of leaving	Age when leaving	Post Taken Up and Main Current Position
Sir Leslie Murphy, Assistant Secretary Fuel and Power—1952	37	International finance executive Mobil, finance director Iraq Petroleum, chairman Schroder, chairman NEB (till 1979), non-executive director Schroder.
Lord Cockfield, Inland Revenue Commissioner—1952	36	Boots finance director, and managing director, Government tax adviser, chairman Price Commission, Treasury Minister.
Mr. John Barber, Principal, Supply—1955	36	Ford motor management trainee, Ford finance director, BL deputy chairman (till 1975).
Mr. Ashley Raeburn, Principal, Treasury—1955	35	Deputy finance division manager Shell, chief executive Shell in Japan, vice-chairman Rolls-Royce.
Mr. Eric Sharp, Principal, Fuel and Power—1957	41	Assistant to British Nylon Spinners' managing director, chairman of Monsanto London.
Sir Alex Jarratt, Deputy Secretary, Employment and Productivity; Agriculture—1970	46	Managing director of IPC, chairman and chief executive of Reed.
Mr. Stanley Wright, Under Secretary, Treasury—1972	42	Director Lazards.
Sir Alan Lord, Second Permanent Secretary, Treasury—1977	47	Managing director Dunlop International, managing director Dunlop.
Mr. Michael Casey, Under Secretary, Industry—1977	49	Chief executive British Shipbuilders.
Mr. Brian Hudson, Principal, Treasury, (Wilson Committee Secretary)—1978	33	Executive with Nordic Bank.
Mr. Ken Cooper, Under Secretary, Department Employment Group (MSC) Under Secretary—1979	47	Director general of National Federation of Building Trades Employers.

MEN AND MATTERS

Creaking springs in a safe seat

It is generally assumed that Labour MPs are the ones with constituency problems and that Tories are left to enjoy the pleasures of Westminster without any irritating demands from their local parties to account for themselves.

The Windsor and Maidenhead local association might just prove that assumption wrong. Last night the executive was meeting to consider a proposal for the introduction of a new system to deal with complaints about their MP—at present 62-year-old Dr. Alan Glyn, who sits on a handsome 25,000 majority. The proposal, part of a continuing review of the local rule book, has clearly irritated Dr. Glyn.

He was not going to the meeting himself and claimed the plan would not get through. If it did, however, he considered it would be "contrary to all Conservative Party policy." This kind of idea was, said the barrister-doctor dismissively, "part of the Socialist creed."

"I'd advise you to keep the helmet on, sir!"

Alchemy corner

I HESITATE to say it, but I feel I may have turned up a close relation to the Philosophers' Stone—in Leeds of all places. And, I should add, it is made of plastic and has a lump of steel in the middle. This magical amalgam, although its power to turn base materials into gold has not yet been proven scientifically, is showing early signs of doing just that for its originator, Malcolm Abelson, managing director of Sandbill (Bullion).

He has made a mould of a 400 ounce gold ingot, complete with Johnson and Matthey's prestigious mark and assay, and produced 5,000 plastic replicas, plated with gold coloured aluminium and weighted with steel the better to fulfil their main function as paperweights.

Abelson, whose main line of business is making plastic presentation cases for mint coinage sets, also operates in the precious metals market. He is understandably eager to awaken the man in the street's interest in his newly-granted right to buy and hold gold. Present prices are off-putting, but by way of attracting the public's attention, he plans to offer them a chance to savour the emotions and mysterious powers associated with the metal. At the mere sight of one of his 32 ounce, £12.50 replicas, he claims, "creditors will crumble . . . and your secretary will kneel beside your feet."

The general public will have their first opportunity to test his claims when mail order advertisements appear later this week. But Abelson already has sound evidence that the appeal is definitely there. To test reactions, on Tuesday he posted off leaflets to all the commodity brokers he could think of. By the time I spoke to him yesterday afternoon, he told me his office had been called by 70 or 80 power-crazed commodity and metals market men who placed orders for 308 bars.

Francosnub

Presumably hoping to avoid mass indigestion, apoplexy or worse, speakers at the National Farmers' Union annual dinner in London the other night took great pains to avoid all reference to the Anglo-French row over trade in lamb and the sufferings caused British growers by imports from France of Golden Delicious (allegedly a type of apple).

But the Francophobia which has gripped the British agricultural hierarchy manifested itself in more subtle ways. The menu, traditionally in appetising French, was this time rendered in plain-boiled English. The usual French wines had been passed over in favour of a tolerable German white and an only-just-drinkable red from Spain, and the whole affair was orchestrated in the kitchens by executive chef Oswald Mair—a German.

One detail appeared to have been overlooked. On each table was a jar boldly proclaiming its contents as "French" mustard. On close inspection, I am satisfied to say, the label revealed the condiment's origin as Hull.

Exploding myth

It is rare for a rumour to be traced right back to its source, mainly because no-one usually has any reason for doing so. An exception has been the curious scare about disposable butane lighters. Many unions and personnel officers have been sending out memos designed to terrify anyone with a disposable gas lighter in his pocket. Morbid reference is often made to two men working for a U.S. railroad company who blew themselves up.

"In one instance," according to a memo that has come into my hand, "a welding spark came into contact with a lighter carried in a shorts pocket. It burnt through the plastic case causing the gas to explode. The other case involved a man carrying a lighter in his trouser pocket. The exploding lighter blew his leg off; he died." Copious reference is often made to such lighters generating "a force equal to three sticks of dynamite."

Not unnaturally, the manufacturers of disposable butane lighters have been much alarmed by all this. Their alarm eventually translated itself into a demand that the British Health and Safety Executive try some experiments with gas lighters (they do not explode and the dynamite stuff is nonsense) and issue a Press release allaying "greatly exaggerated" fears.

The HSE incidentally satisfied itself that the railroad welders did not blow themselves up. Bic satisfied itself of the same thing, and even claims to have traced the story to its source.

It seems that two years ago some students at the New England Telephone and Telegraph vocational centre in Augusta, Maine, sent out a spoof safety bulletin apparently originating from the Union Pacific Railroad safety officer. Being responsible citizens, the recipients passed on the bad news. It crossed the Atlantic towards the end of 1979. To the chagrin of Bic, Feudor, Gillette, Clipper and others, it has still to be properly exploded.

Windscreen eats

The horticultural prowess of the Welsh—displayed to such stunning effect on the Industry Secretary's car earlier this week—seems destined to pass into the language. Bill Sirs puzzled his cohorts yesterday by saying he had lunched on "a Keith Joseph and a cup of tea." I understand the steel workers' leader consumed an egg and tomato sandwich.

Observer

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ECONOMIC VIEWPOINT

Healey view of world economy

THERE IS really only one macroeconomic problem worth discussing. That is why the market economies of the non-Communist world experienced a quarter of a century of unprecedented prosperity after World War II, and why—after a period of premonitions and warnings between the British devaluation of 1967 and the oil price explosion of 1973—everything seems to have gone sour and we have had slower growth, rising unemployment, faster inflation, creeping trade restrictions and all the other symptoms of stagflation. The two questions are of course mirror images of each other.

Merely to pose them disposes of many of the favourite scapegoats and nostrums. The special features of the British trade union movement can hardly account for the world-wide slowdown in industrial growth. The jungle of corporate controls imposed by the U.S. regulatory agencies can hardly account for the slowdown in employment in *Germany and France*. The fatuousness of the import control prescription for stagnant production in Britain emerges from the fact that this stagnation is merely a bad case of an international disease. It is arithmetically impossible for all the main industrial commodities to be suffering from a "balance of payments constraint" due to rising imports. If we are to get anywhere in diagnosis we must look for forces, which may just as well be domestic as international, but which are at least common to different countries.

One of the most interesting attempts to explain what has gone wrong can be found in an article by Mr. Denis Healey entitled "Oil, Money and Recession," in the winter 1979-80 issue of the U.S. quarterly *Foreign Affairs*. It is by far the most serious pronouncement of the British ex-Chancellor since he left office, and very clearly not the work of any ghost or aide. Of course there are the usual Healeyisms, such as the footnote reference to Prof. Milton Friedman's premature prediction of the demise of the OPEC cartel, and an exaggerated attack on speculation in commodities. (This is at worst a superficial symptom, rather than a cause, of world economic disorders.) But it is quite inconceivable that any of Mr. Healey's rivals for the leadership of the Labour Party could have written anything remotely in the same class.

Mr. Healey gives four main reasons for economic success in the period up to 1973:

(1) The widespread acceptance of the free trade principle and the dismantling of trade barriers.

(2) The use of Keynesian demand management techniques; and especially

(2a) The use by the U.S. of its postwar current account surpluses to finance the deficits of war-devastated Europe and of the developing countries.

(3) The Bretton Woods regime of "fixed" parities, which finally broke down in 1971, restrained inflation and reduced uncertainty.

(4) Several decades not merely of cheap, but of falling energy prices.

On the first and last points, there is little need for dispute. The growth of output and of trade were closely connected and mutually reinforcing. But I doubt if trade liberalisation was the motivating force. Because growth was rapid, in an atmosphere of full employment, it was politically easier to deal with protectionist pressures in the 1950s and 1960s than at any time before or since. The role of cheap energy may if anything be even greater than Mr. Healey states.

On the role of Bretton Woods, Mr. Healey is also largely right but my own detailed explanation is slightly different. The commitment to try to maintain a fixed exchange rate against the dollar meant that the price levels of internationally traded goods could not diverge very far from American ones; and so long as reasonable price stability was maintained in the U.S. it also prevailed elsewhere.

Although few governments watched the money supply consciously in the Bretton Woods period, they did pursue interest rate and fiscal policies designed to maintain their dollar parities; and this fact on its own automatically meant that the *money* supply grew more slowly than in more recent years when more lip service has been paid to the need to control it.

Coincidence

During the 1950s and early 1960s, U.S. inflation was kept low by the happy coincidence that a Federal Reserve policy, geared to conventional interest rate objectives, also resulted in a non-inflationary rate of monetary growth. When the Vietnam War bulge in Federal spending came along, either taxes had to increase or interest rates rise. The refusal of the Johnson Administration to do either in good time set off the inflationary movement with which successive presidents have since been grappling. In any case, Bretton Woods was but an ersatz gold standard, too accident-prone to last.

As for the use by the U.S. of its postwar surpluses to finance deficit countries, which Mr. Healey stresses so much, I am not sure how much has changed. It is true that the surplus countries of the 1970s, such as Germany and Japan, accumulated reserves in a way that the U.S. never did in its halcyon period. But there was such an explosion of reserve holdings in the 1970s for other reasons (contrary to what most advocates of floating currencies predicted) that the rest of the world was certainly not deprived. So far from finding it difficult to obtain finance, deficit countries have found an ease in doing so on the private international markets which is driving some central bankers to an early grave with worry.

When he leaves debating points to examine actual events—or to run policy—Mr. Healey is as good as anyone (and certainly better than the so-called doves in the British Conservative Party) at seeing through the fallacies of demand management. He stresses that inflation was "high and rising" before the 1973 increase in oil prices took place—very much as a result of excess demand stimulation in a number of countries simultaneously. But how was *anyone to know* that *the* stimulus would be excessive. President Nixon in the U.S. and *Mr. Heath in the UK* were for instance reacting to unemployment figures which were high by postwar standards. The monetary and fiscal guidelines which Mr. Healey himself introduced are a necessary fail-safe device because of the sheer impossibility of calculating in advance the sustainable (or so-called "natural") rates of output and employment.

The real question is why the level of output and employment which is consistent with a stable inflation rate is now so much lower than in the 1950s and 1960s: or as Mr. Healey puts it, why bottlenecks and inflationary pressures occur at a lower level of economic activity than in the past, and hence the increasing ineffectiveness of postwar economic policy instruments. If the sustainable rate of unemployment is too high, demand management will not work; if it is low, as in the 1950s and 1960s it is not needed.

Interestingly enough, the one hypothesis which Mr. Healey mentions—the effects of the energy price explosion in reducing productive potential—is the one most stressed for instance by the Federal Reserve Bank of St. Louis. But in itself I doubt if it is a sufficient explanation for stagflation: and *I will myself* take refuge in the ex-Chancellor's favourite word "multicausality." A further *major structural* change I would suggest is that while we have been talking about the North-South gap, developing countries have been making successful inroads on traditional Western manufacturing specialities.

At least as important in my view has been the end of "money illusion." For an astonishingly long period, workers ignored creeping inflation, treated a *dollar* as a dollar and a pound as a pound, and consequently settled for less than they could get in prevailing labour markets. It was therefore possible to maintain levels of employment, very high by the standards of nearly all past and subsequent periods. At about the same time that money illusion was shattered, and as part of the same process, people became much more conscious of the reduced costs of periods out of work under the Welfare State, and less inhibited about making the *calculations*.

But there is a further semi-political factor, implied but not mentioned by Mr. Healey, in the increased influence of producer groups insisting on non-*negotiable* rewards, *well* above market rates. This is a diagnosis which could apply equally to trade unions domestically and to OPEC on the international stage, to name only the most conspicuous example. The activity of these groups gives the rest of us the choice between accepting inferior rewards, living on the dole, or withdrawing into the informal economy. A world of organised producer groups would be nasty, brutish and short of employment: and it is a criticism of the Brandt Report that with its support for price maintenance schemes, it could take us further along this route.

It is fascinating *how* many of the domestic arguments about "incomes policy" are mirrored in international discussions about how to deal with OPEC. The division is between those who want to accommodate interest groups by political deals and those who want to weaken them in the market place—Jim Prior versus Geoffrey Howe writ large on the world stage.

One does not have to be an interventionist to examine Mr. Healey's specific idea of manufacturing countries accepting oil price increases, indexed to their rate of inflation, in *return* for output guarantees. But in oil as in wages, it is important to have the right type of indexation. It would be a tragedy to have a form which kept up real prices if Professor Friedman were to prove belatedly right and the cartel were to break. Hints of how this could happen through increased exploration are contained in the Foreign Affairs article.

What I should prefer to see developed is a form of contract expressed in indexed form—for instance a price in a currency basket plus an inflation factor. But such a price need not always be *linked* with long-term contracts. Prices expressed in indexed form could be adjusted in line with the oil market. In this way oil producers—like wage earners at home—could be protected against the vagaries of shrinking currency values, but not against the changing supply and demand for *their* products.

If, however, someone is looking for a political element to lubricate world markets, the proposal staring us in the face is the sale by Western governments of gold to OPEC monetary authorities. As pointed out on this page on January 31, OPEC countries hold 4 per cent of official gold stocks, compared with 86 per cent held by the industrial countries of OECD. The former group clearly would like to hold more gold, and there is a mutually profitable deal here. If Mr. Healey wants to attack economic theology, let him attack the anti-gold one which prevents such a deal from being discussed.

Samuel Brittan

Glyn Genin

Mr. Healey goes to Washington: the ex-Chancellor with his wife, Edna, at the Washington Monument.

Letters to the Editor

Product liability

From the Director, Society of Motor Manufacturers and Traders

Sir,—While agreeing with Mr. Sheaf (February 11) that it would be of help to industry if there were some form of harmonisation of product liability laws in the EEC, I cannot agree that this would be the major effect of the Commission's proposals as he seems to suggest. In point of fact, these go far beyond the current state of the law in any single member state.

The motor industry has long accepted the view that a move towards strict liability was inevitable and socially justifiable but the draft directive as worded at present would put severe restraints on our industry and make competition with our commercial rivals outside the Common Market yet more difficult.

The proposals expressly exclude a defence of development *risk*—that is to say that even if a part is as safe as science and technology can make it when designed and no-one could have foreseen a problem which later developed, the producer would still be liable for any injury—"unlimited liability for unknowable *risks*" as it has been called. This cannot fail to increase insurance premiums—we feel much more than the EEC's predictions—and will also inhibit innovation which is so necessary in modern business. The EEC Parliament saw the devastating possibilities and voted to allow such defence. It was then completely ignored by the Commission bureaucrats.

There is to be a ten-year period of strict liability. This may be acceptable for some products but a car may have covered 120,000 miles, have been repaired with non-approved parts, badly maintained and poorly *serviced*. Yet the burden of proof will be on the producer right up to the ten year deadline to show that it was not defective when put into service—a practically impossible task. We have no doubt that the Courts will take it as a rule that anything within the period is the producer's fault. We would prefer to see no fixed limit so that the Courts could use their common sense.

Negligence—i.e. that a person should be liable only if something is his fault—is an old and fair concept. We can see there are social reasons for this to be abandoned for personal injuries—but we do not believe that there are the same arguments in the case of property damage and we are *supported in this* by the Strasbourg Convention, the Law Commissions and the Pearson Commission *which* Mr. Sheaf himself used to back up his arguments.

We have many other *points* but it can be seen from the above that the directive is much more than simply an attempt to get a "more common approach."

Anthony Fraser,
Society of Motor Manufacturers and Traders,
Forbes House,
Halkin Street, SW1.

Post Office success

From the chairman, Mail Users' Association

Sir,—So many criticisms have been levelled at the Post Office these last months, that it is a pleasure to read John Lloyd's report (February 8) on a productivity deal in the London postal region. That such a development is long overdue should not sour our welcome for it now it has arrived.

Postal users will be looking for convincing demonstration of the scheme's success in reducing P.O. costs and improving customer service, as well as *increasing* postmen's *earnings*, and we hope that the P.O. will be able and willing to provide such demonstration in due course. Meanwhile, a measure of congratulation is due to the negotiators on both sides who have taken the first step on the long road towards regaining users' confidence.

A. R. P. Fairlie,
Mail Users' Association
29 Sackville Street,
Piccadilly, W1

Commercial breaks

From Mr. F. Brown

Sir,—Mr. Derek Bloom (February 12) explains in full the elaborate mechanics of supervision which the Independent Broadcasting Authority considers to be necessary in order to ensure that ITV companies fulfil their contract requirements under the 1973 Act to provide a "proper balance in the subject matter of programmes" in a "public service of information, education and entertainment."

He argues that these mechanics of administration can be repeated to allow the *fourth TV channel* to be a competitive advertising network. What matters is the dynamics of TV, not the mechanics, and that is why the present Broadcasting Bill does not give Mr. Bloom what he wants.

Competition for advertising revenues *leads* to a limitation in choice and range of programmes for the viewer and a switch around channels in a hotel room in New York is ample evidence of this. It is the public service network, funded by grants and viewer subscriptions, which broadcasts the best British programmes and perhaps too many advertisers here take too much for granted the high standards of programming with which they are fortunate to be associated in the commercial breaks.

It is understandable that some advertisers would wish to have two TV rate cards to play off one against the other. But, in considering this possibility, it is not acceptable that every other opinion but their own should be discarded.

Because of the ephemeral nature of *TV* we have enough cosmetic programming as it is and if Parliament legislated in a way which would be bound to produce more than viewers (and voters) would end up feeling very badly served.

Frank Brown.
59 Drayton Gardens, SW10.

Developing London's dockland

From the Member for Merton, Mitcham and Morden, Greater London Council

Sir,—Your report (February 5) "Bringing new life into docklands" was a timely reminder of the complex web of vested interests which have contributed so little to the positive re-use of the 5,000 acres of greater London, commonly called docklands.

The reactions of Mr. Heseltine to the lack of progress and to what he sees as a public disgrace are understandable. It's a pity the same cannot be said for his proposed solution which is not the one which Conservatives, especially those who *are active* in local government, expected from a Conservative Government. The Government is proposing more legislation, not less. One department (Mr. Heseltine's) is as determined to establish a third tier of administration in greater London as another department (Mr. Jenkin's) is determined to abolish a third tier of administration in the Health Service in greater London. Mr. Heseltine has not stated the reasons why he believes that a concept—the New Town Development Corporation—which relied on massive government funds to industrialise rural land owned by private individuals will be successfully applied in docklands where urban land owned by public authorities needs to be converted to other uses at a time when government *funds* must inevitably be restricted.

As a Conservative who has both lived and worked in a new town, I believe Mr. Heseltine is *misguided* in his approach and in grave danger of putting on the statute book a piece of "Conservative" legislation which is likely to prove as big a godsend to a future Labour Government as the *Industry* Act, passed in 1972 by Mr. Heath's Government, was for the last Labour Government.

There is an alternative approach to the slow development of docklands which should appeal to Mr. Heseltine since it will require little legislation, could be implemented very quickly and will help to defuse a time bomb for another member of the Government—the Minister for Transport.

The dereliction of dockland is due to *the* decline *in* the demand for the port and supporting industry. Unlike other declining industries, e.g. steel, the public agency, in this case the Port of London Authority (PLA) which owns much of the redundant land has not set about re-using its surplus assets. The PLA is technically insolvent, relying on massive Government bank guarantees for its day to day existence. It is also the largest single land owner in dockland.

Based on this analysis, I believe the Government should break up the existing PLA into three companies — the existing PLA, renamed PLA (Developments), would retain all land and property; a new company PLA (1980) would acquire the viable business from PLA and the Government could then rapidly phase out its support; the third company would become responsible for the financing and re-training of all employees surplus to the requirements of PLA (1980).

Overnight almost, PLA (*Developments*) would have one objective—the re-use of the land which was not required by PLA *(1980)* for the *latter's operations*. PLA (Developments) would be the organisation which set about finding new uses for its land, unencumbered by its operating responsibilities. It could also acquire other sites currently owned by a variety of Public Agencies. PLA (Develop*ments*) would need to be publicly accountable, but could do so under a dynamic chairman like Mr. Broackes who has been named by Mr. Heseltine as chairman of his Corporation.

Mr. Heseltine should reject the ideas of his bureaucratic advisers, and use his own instincts as a not *unsuccessful* businessman. If he does, he will require less legislation, less bureaucracy, and a limit to government support for a "lame duck" which is the major obstacle to the rejuvenation of docklands.

Brian Shenton.
Member's Lobby,
County Hall, SE1.

Fourth TV channel

From the Joint Managing Director Unibond

Sir,—The Government proposals for the new ITV channel are intended to give greater scope for minority interests. These interests of course relate to programme content. What proposals does the Government have with regard to advertisers? At a recent conference Mr. Whitelaw stated that advertising "air time" would continue to be under the control of the existing independent TV companies (or those appointed in the near future). Everyone involved in the advertising industry is aware of the enormously high cost of "air time" which being limited is fought for by the large company sector with the result that the small company is effectively cut out of the market.

The stated intention of the Government is to provide more competition in industry—surely this should extend to commercial TV advertising.

L. R. Bushby.
Unibond.
Tuscam Way,
Industrial Estate,
Camberley,
Surrey.

Small craft foundries

From the chairman, Economic Development Committee for Foundries.

Sir,—Dr. Hitchens (February 11) regards the closure of over 800 foundries in the last 20 years as "healthy"; we would expect foundrymen to dissent from that, but what of the customers? He need not be concerned at the closure rate if he were sure that other foundries remained to supply his needs. But there are no grounds for reassurance. Small craft foundries, the most subject to closure, perform a different function from that provided by larger, more mechanised foundries. Indeed, the foundry aid scheme to which Dr. Hitchens refers, increased this difference. Most of the investment which it encouraged was spent by larger foundries, and has had the effect of reducing still further their ability to produce small batches of castings quickly and economically; and the aid scheme's minimum expenditure level of £25,000 deterred small foundries from making use of it.

Consequently Dr. Hitchens' point about excess capacity in the industry is not relevant to our conclusion that the small craft foundry sector so far from going through a "healthy streamlining process" is suffering from a process which could leave the UK's engineering industry with a less than adequate supply of craft castings.

Dr. Hitchen's work w... concluded in 1972: eight years and some four hundred closures later the scene is very different. It is inevitable that, if the manufacturing industry continues to decline at its present rate, foundry output will suffer: but at least let us make sure that we retain the necessary capacity to fulfil foreseeable future demands, particularly when the cost of our proposals for doing *so is so small*.

T. S. Kilpatrick,
National Economic Development *Office,*
Millbank Tower,
Millbank SW1.

Zany logic of the CAP

From Messrs. J. Kay and C. Morris

Sir,—Few would disagree with your editorial view (February 11) that it is time to reform the common agricultural policy, or that its zany logic is hard to understand. So hard to understand, indeed, that your statement that recent rises in common prices have been modest is quite mistaken. It is true that the nominal increases in these prices have recently been small. The difficulty is that prices have been determined in units which bear no fixed relationship to any national currency and which have systematically increased in value in relation to the average of them.

Common wheat is a representative commodity. The stated increase in target price between 1977-78 and 1979-80 is 2.6 per cent. If we look at what happened in the four major producing countries, the price in Lire and in Sterling has risen by 26 per cent. In French Francs by 16 per cent and only in *German Marks* by a small 1 per cent. It is because of the excessive increases in prices, not their modesty, that the costs of the CAP have continued to spiral.

J. A. Kay.
C. N. Morris.
The Institute for Fiscal Studies
1-2, Castle Lane, SW1.

Taxes and benefits

From Mr. D. Lindsay

Sir,—Mr. Field (February 4) should know that a tax "allowance" (an unfortunate misnomer), whether personal, child or married man's is merely a *component* of the zero-rate band of income-tax, i.e., a part of the structure of the tax system, and designed to ensure that the tax take is fairly graded to family responsibilities, as well as to gross income. To equate it with a cash payment is to argue that any tax take of less than a 100 per cent of total income amounts to a state handout.

As £4.00 per week is far short of the cost of supporting a child, the bread-winning parent now has to find the necessary balance (say £Y) out of taxed income. If £X is an adequate income for *a* childless couple, the parent has to work that much harder to earn not only £X+Y (which, as a parent, he readily accepts) but also the tax on Y at marginal rate, which could be 50 per cent or higher—or, with his family, suffer poverty by comparison.

D. G. Lindsay.
36, Orchard Combe,
Whitchurch Hill,
Reading, Berks.

Today's Events

GENERAL

UK: Steel industry craft unions meet on 14 per cent pay offer.

Mr. John Moore, Energy Parliamentary Under Secretary, visits Welsh Centre for Alternative Technology, Machynlleth.

Inland Revenue 122nd annual report published.

The Queen gives reception for the winners of the Queen's Award for Export and Technology, Buckingham Palace.

Mr. J. Bjelke-Petersen, Premier of Queensland, Australia, receives Freedom of the City of London, Guildhall.

PARLIAMENTARY BUSINESS

House of Commons: Debate on EEC fisheries policy.

House of Lords: Debate on Government's airports policy. Debate on security in Northern Ireland.

Select Committees: Agriculture. Subject: Implications of Common Agricultural Policy on milk and dairy products. Witnesses: Prof. V. H. Beynon, Prof. J. C. Bowman. Room 16, 11.45 am. Home Affairs. Subject: Deaths in police custody. Witnesses: Director of Public Prosecutions, *Coroners' Society*, British Association in Forensic Medicine. Room 8, 4.30 pm.

OFFICIAL STATISTICS

Consumers' expenditure (fourth quarter—second preliminary estimate). UK banks' assets and liabilities and the money stock (mid-January). London dollar and sterling certificates of deposit (mid-January).

Birmid down 35% after strikes and reshape costs

AFTER rationalisation costs of £3.28m against £2.96m, profits before tax of Birmid Qualcast, West Midlands foundry and engineering products group, amounted to £3.11m in 1979 compared with £4.77m in the previous year, a decline of 34.8 per cent.

The tax charge this year is substantially lower at £377,000, against £2.55m, and after minorities of £70,000 (£97,000) the attributable profit of £2.8m is higher than the £2.31m of 1977-78.

First-half profits had fallen from £3.8m to £1.94m but the directors were expecting some improvement in the second six months. They now say that improved profits would have been earned in the second half had the group not suffered from the engineering dispute.

This dispute came at a time of other external strikes and while the group was completing the major and most expensive phase of the planned rationalisation programme. Had the group been able to trade normally, the directors estimate that profits would have been some £4m higher.

The board anticipates considerably improved results in the current year, but the possibility of strikes and the economic climate remain a problem and with this in mind the final dividend is 2.5p to make a 4p total against 4.98p—at this level the dividend is covered by attributable profits and provides a base for future improvement.

Net earnings per share before rationalisation costs are stated as 8.1p against 6p and 4.2p (3.5p) after these costs.

Contributions to turnover £215.6m (£204.25m) and trading profit (£000s omitted) by foundry products were £130,992 (£122,924) and £5,075 (£6,965) respectively; heating products, £19,475 (£17,043) and £1,527 (£520); home and garden equipment £34,920 (£35,066) and £2,194 (£2,670); wrought and engineering products £30,324 (£29,216) and £652 (£721) loss. Miscellaneous activities produced a £19,000 (nil) profit.

The directors regard the current year for foundries as one of consolidation and expect to see some of the benefits accruing from capital expenditure and rationalisation costs incurred in recent years.

The adverse effects on output levels and financial performance of the lawnmower companies were partially offset by improved trading profits from the household products group.

The 1980 season has started with satisfactory order books, the directors say.

The wrought and engineering products side should be able to recover but even with bad weather conditions, actions already taken reduce the risk of further heavy losses.

	53 wks. 1979 £000	52 wks. 1978 £000
Turnover	215,641	204,249
Trading profit	5,162	9,452
Interest payable	1,254	998
Profit	3,909	8,454
Associates losses	625	725
Rationalisation costs	3,279	2,962
Profit before tax	3,105	4,767
Tax	377	2,554
Net profit	2,728	2,213
Minorities	70	97
Attributable	2,798	2,310
Dividends	2,677	3,291
Transfer to reserves	161	†970

† From reserves

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Birmid Qualcast	2.5	—	3.48	4	4.98
Drayton Premier Tst.	6.8	April 3	5.4	8.8	7.4
Elbief ... int.	0.39	April 15	0.39	—	1.3
General Cons. Inv.	3.53§	April 8	2.95	5.53§	4.25
Press Tools ... int.	0.95	April 7	0.73	—	2.25
Securicor	1.02	—	0.87*	1.47*	1.27*
Security Services	1.65	—	1.38*	2.46*	2.13*
Weber Hldgs.	11	—	9	13	10.75
Thomas Witter	3.33	April 3	2.84	4.03	3.51
Yeoman Inv.	6.75‡	April 3	5.63	10.75‡	8.63

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Plus special non-recurring dividend of 1.05p equivalent to exceptional income received from Shell. § Includes special non-recurring dividend of 0.43p equivalent to exceptional income received from Unilever and Shell. ¶ In lieu of final—plus special non-recurring dividend of 0.54p.

Thomas Witter shortfall

A SECOND HALF decline from £1.24m to £0.98m left pre-tax profits of Thomas Witter and Co., floor and wall covering manufacturer, down from £1.87m to £1.63m for the year to November 30, 1979.

Profits were struck on little changed turnover of £28.31m (£28.48m), and was after investment income of £208,101 (£75,528).

With tax taking £781,000 (£996,688), the attributable balance after minorities amounted to £832,273 (£852,112). Earnings per 25p share are given at 9.5p (9.7p) and the final dividend is 3.33375p net for a 4.03375p (3.5113443p) total.

Press Tools higher

PRE-TAX profits of Press Tools improved from £170,000 to £206,000 in the half-year to October 31, 1979, on increased turnover of £1.41m, against £1.3m.

However, the directors say prospects of a record year may be jeopardised by the steel strike. Despite good raw material stocks, the effect could be severe and long term.

The company's strong financial position is some comfort in the face of the present industrial climate, they add.

The net interim dividend is raised from 0.725p to 0.95p—last year's total was 2.25p, paid from taxable profits of £345,846 (£250,127).

The group makes press tools, jig fixtures and automatic turned parts.

Elkington Securities halved

Taxable surplus of Elkington Securities was halved in the year to September 30, 1979, falling from £148,579 to £74,212 and the directors are withholding a dividend as the profit has been retained to build up reserves.

Turnover of the group, which is engaged in building contracting, property development and property investment, advanced from £1.98m to £2.25m.

Elkington has recently bought an interest in a London-based travel agency, Apex Travel.

W. L. Pawson resignations

TWO DIRECTORS at W. L. Pawson, the Leeds-based clothing manufacturer and retailer, are expected to resign from the board today or tomorrow. They are Mr. Tom Blumenau, the former chairman of Silhouette, and Mr. Michael Binns.

Mr. Blumenau joined Pawson last October after the group had acquired Silhouette in an agreed deal. Mr. Binns, who has responsibility for clothing production, has been with Pawson since October 1977.

Mr. Stanley Wootliff, the chairman of Pawson, said yesterday that he hoped the matter would be resolved by the weekend. He added that the parting would be "on an amicable basis"

Yorkshire Bank profit up 25%

Yorkshire Bank, the clearing bank-controlled branch bank, has reported a 25 per cent increase in 1979 pre-tax profits, which emerge at £19.1m.

During the year group total resources increased by £129m to £656m, an increase of 24 per cent. The bank now has 194 branches.

The results have not benefited, as much as those of the clearers, from the very high interest rates, since 45 per cent of Yorkshire's lending is fixed rate.

The annual report includes detailed figures on the bank's specific and general provisions for bad and doubtful debts. The £2.5m and closed at £1.6m. The general provision, which the bank says has never been drawn upon, is increased from £3.7m to £4.4m.

New Court plans further U.S. investment

A contribution of £155,000, against £209,000, by the recently sold subsidiary Exploration and Production Services (EXPRO), helped New Court Natural Resources to increase its pre-tax profits from £287,000 to £372,000 in the half-year to September 30, 1979.

The 83.7 per cent interest in EXPRO was sold because, say the directors, further growth would have required the company to commit very substantial additional capital which the Board thought it preferable to devote to further investments in oil and gas properties.

Negotiations are in progress which may lead to a substantial new investment in producing properties in the U.S.

EXPRO's sale raised £1,464,624 cash compared with the total cost of £395,000.

Tax charged in the half-year amounted to £99,000 [illegible] including EXPRO [illegible]

Stated earnings per 5p share have increased from 1p to 1.24p.

ANCHOR CHEMICAL REORGANISATION

Anchor Chemical Company has conducted a major structural reorganisation resulting from the expansion of its product range and to improve its international market position.

The reorganisation includes the establishment of a UK-based subsidiary Anchor Chemical (UK) which will operate the group's major manufacturing facility at Clayton, Manchester, and assume responsibility for all the UK-based commercial activities, including exports, previously conducted directly by the parent company.

ISSUE NEWS

Mid-Kent offer details

The prospectus is published today in connection with the offer for sale by tender of £5m 9 per cent Redeemable Preference Stock 1985 by Mid-Kent Water Company.

The minimum price of the issue will be £97 per cent, redeemable at par on March 31, 1985.

Tenders for a minimum of £100 stock have to be made before February 20 with a deposit of £10 per cent on application.

The first dividend of £4.6652 per cent will be payable on October 1, 1980 and thereafter on April 1 and October 1.

Brokers to the issue are Seymour, Pierce and Co.

● comment

For the ordinary taxpayer the latest water company issue from Mid-Kent, yielding 13.25 per cent flat or 13.68 per cent to redemption, does not look particularly exciting against similar dated gilts. However, for those able to take advantage of franked investment income, the yield of 19.33 per cent looks much more attractive. For this reason there should be some interest although last week's failure of Rickmansworth, where two-thirds of the £3m issue was left with the underwriters, demonstrates the effect of unfavourable market movements. At present the Mid-Kent issue is in line with Rickmansworth in the market but as usual, everything depends on the state of play over the next seven days.

BIDS AND DEALS

Mystery bidder wants car hire side of Godfrey Davis

A MAJOR European company is interested in buying the daily rental and chauffeur driven car hire business of Godfrey Davis. The sale, if completed, would deprive the UK group of the division which has contributed over half its profits in recent years.

Further details, including the identity of the prospective buyer, should be released at the end of this week. Hill Samuel, advisers to Godfrey Davis, said yesterday that the company operates in a sector "closely related" to the car-hire business.

The package under discussion comprises rental operations in the UK, the Netherlands and Spain, but Godfrey Davis would retain the bulk of its leasing business as well as all contract hire activities. The group's large Ford main dealership, together with its leisure and property divisions, would be unaffected by the sale.

Godfrey Davis is the largest car-hire operator in the UK, ahead of the U.S. giants Hertz and Avis, and has the exclusive contract for operating rail/drive at British Rail stations. It has car fleet which varies between 5,500 and 8,000 vehicles according to the time of year. Its European operations, by contrast, are small and have never made a significant profit contribution.

The company's shares were suspended on Monday at a price of 148p, valuing the whole group at £22.4m. Rothschild Investment Trust owns around 27 per cent of the equity but has indicated in the past that it does not intend to bid for the whole company.

In the year ended March 31, 1979, Godfrey Davis made profits before tax of £4.47m on sales of £88.73m. Of this, the rental and leasing division contributed £2.5m in profits and £27.39m in turnover.

Turner & Newall buys further 11½% in Hunt

Turner and Newall Industries Inc., a wholly owned U.S. subsidiary of Turner and Newall Ltd., has spent $10.14m (£4.43m) on increasing its interest in Philip A. H. Hunt Chemical Corporation from 59 per cent to 63.5 per cent by its purchase of 654,520 shares of Hunt's common stock.

The shares were purchased at $15.50 per share from Dr. Jerome S. Coles and related family members and trusts.

Norwest Holst requests suspension

Shares of Norwest Holst, the civil engineering group, were suspended yesterday at the company's request pending an announcement. On the stock exchange the shares were suspended at 118p valuing the group at £10.9m.

The suspension is understood to have been prompted by the near conclusion of discussion of two directors, Mr. Raymond Slater and Mr. John Lilley for the outstanding equity of Norwest Holst.

Dunham Mount, a private company controlled by Messrs Slater and Lilley, already holds a 58.7 per cent stake in Norwest. The two directors' intention to enter into discussions with a view to making an offer for the outstanding equity was announced in mid-November.

A further announcement is expected next week.

Further delay in Mr Lacey's purchase of stake in Lonrho

BY CHRISTINE MOIR

NEGOTIATIONS between Gulf Fisheries, the Kuwaiti company which owns 21 per cent of Lonrho, and Mr. Graham Ferguson Lacey, are now not likely to be completed for another fortnight.

Late in January, Mr. Ferguson Lacey announced that he was offering to buy the stake, which has a current market value of around £42m, from Gulf.

Talks have been going on spasmodically since then but the terms appear to have changed. Instead of an outright sale Gulf is now considering a "co-operative" deal with Mr. Ferguson Lacey.

Mr. Ferguson Lacey is to meet Sheik Nasser al-Sabah, Gulf's owner towards the end of the month to discuss the possible new deal.

Gulf has been a dissatisfied shareholder in Lonrho for some time although at one stage Sheikh Nasser was on the Board. He resigned to spend more time on his personal interest but early last year Gulf tried unsuccessfully to have two of its representatives appointed to Lonrho's Board again.

Mr. Ferguson Lacey's approach to Gulf is on behalf of his private interests. In the UK his main company is Birmingham and Midland Counties Trust but he also has a U.S. holding company involved in energy and travel companies and this is thought to be the vehicle for the offer.

In addition Mr. Ferguson Lacey is chairman of National Carbonising and Rivington Reed and is currently bidding for Bernard Wardle in which he owns a third of the equity. He also has sizeable property interests in Northern Ireland and is an active investor in UK equities.

MR. HERSH LEAVES MOOLOYA BOARD

Mr. Barry Hersh has left the board of Mooloya Investments, owner of the Customagic stretch cover company, after selling all of his 100,000 shares late last month.

He has been replaced by Mr. Christopher Baldwin, who bought the shares and now holds 23 per cent of Mooloya. Mr. Baldwin also becomes acting chairman. Mooloya's shares were suspended at 82p in December after a delay in the accounts.

It is believed that the subsequent share sale by Mr. Hersh, a former associate member of stockbrokers Schaverien, took place at a much higher price.

Along with Mr. Ian Phillips and others, Mr. Hersh was involved in last year's unsuccessful attempt by Nunnery Holdings to acquire the 38.8 per cent of Mooloya it did not own. Representations have been made to the Stock Exchange about recent share deals in Mooloya.

ANGLO AMERICAN ASPHALT PURCHASE

Anglo American Asphalt Company has completed the purchase for a total of £577,000 cash of certain assets from Mr. Peter Dubuisson (Binder Hamlyn), the Receiver of Airoil Burner Company (GB) and Flaregas Engineering.

The assets acquired consist of lease hold premises, plant, stock, work-in-progress and goodwill, and have a net book value of about £880,000.

This acquisition is a further step in Anglo American Asphalt's development towards an industrial holding company.

Airoil and Flaregas are internationally known manufacturers of furnace burners and flare systems to the refining and petro-chemical industries.

City and Intl. in bid talks

THE directors of City and International Trust, an authorised investment trust, announced yesterday that discussions are taking place which may lead to a bid for the company. So far the interested party has not been named, but news of the approach pushed City and International's shares in the stock market up from 109p to 140p before they closed at 134p.

City and International's only comment was that the discussions "are at too early a stage for the board to predict the outcome."

If a bid does follow it will be the latest in a series of investment trust takeovers which stretch back at least as far as 1976. Edinburgh and Dundee, British Investment Trust and Investment Trust Corporation are just some of the names which have disappeared in the last few years mostly as a result of bids from large nationalised industry pension funds.

The last investment trust to be swallowed up in this way was Debenture Corporation, which was taken over by the British Airways pension fund.

City and International has a number of significant institutional shareholders including Pearl Assurance which owns 13 per cent of the equity, the Prudential Corporation (11.2 per cent), London and Manchester Assurance (8.7 per cent), Philip Hill Investment Trust (7.5 per cent) and Save and Prosper (8.6 per cent).

City and International is managed by Philip Hill (Management) while Lord Remnant, formerly chairman of the Association of Investment Trust Companies, is among the directors.

ELECTRA TRUST LIFTS STAKE IN HEYWOOD WILLIAMS

A significant stake in the building materials supplier and hotels group, Heywood Williams has changed hands with Electra Investment Trust's decision to buy the 678,465 shares (8.1 per cent of the equity) formerly owned by the British Aluminium Company.

This brings Electra's total holding in Heywood Williams to 12.6 per cent. Electra, which is itself owned 74.4 per cent by Globe Investment Trust, paid a little above 80p for the shares (about £543,000) against a price in the market of around 82p at the time. Heywood Williams shares closed 1p higher at 83p.

Mr. Douglas Oliphant, chairman of Heywood Williams, commented that while in some ways he regretted the ending of British Aluminium's interest in the group, recent capital spending on extra press capacity and the acquisition of FPA Construction Group had left his company both competing more directly with British Aluminium and less dependent on aluminium as a raw material.

Meanwhile, Mr. Colin Black, of Electra, pointed out that the purchase of a bigger stake in Heywood Williams was in line with the company's policy of increasingly concentrating on special situations. "We don't mind taking a significant minority if it is an opportunity that we like," he said.

Throgmorton Trust pays £4m for investment holdings of CFI

THE Throgmorton Trust has agreed to pay almost £4m in cash for all the investment holdings of Capital for Industry (CFI), a subsidiary of Grindlays Bank.

The move gives Throgmorton majority shareholdings in five companies, including a 70.04 per cent stake in the publicly quoted Cray Electronics, the precision mechanical electrical and electronic engineering concern. The proportion of the consideration attributable to the Cray stake is £2.16m, or 31p per share and under takeover rules Throgmorton will now be obliged to make a cash offer of 31p to other Cray shareholders. Following the restoration of its quote yesterday, Cray's shares closed at 34p in the stock market.

The other investments holdings in Capital for Industry are House of Carmen (100 per cent), Crofton Group (100 per cent), Clayton, Goodfellow and Co (87.8 per cent) and Adhesive Materials (51 per cent). There is also loan stock and preference shares in Cray and Clayton, Goodfellow respectively.

The present executive directors of CFI, Mr. Brian Solomon (chairman and chief executive) and Mr. Douglas Meekins will continue their management responsibilities of the CFI companies. A new company will be set up, to which the name Capital for Industry will be transferred, in which Throgmorton Trust will have an 86 per cent interest in the ordinary shares. Mr. Solomon and Mr. Meekins, together with Mr. Anthony Jolliffe of Jolliffe Cork and Co., will hold the balance of the ordinary share capital of the new company.

The adjusted profits before tax (in the last audited accounts) attributable to the investments being purchased amounted to £768,000. The adjusted net tangible assets at the respective balance sheet dates amounted to £4.7m.

RACAL'S SHARES RISE TO 225p

Shares in Racal Electronics rose by 2p yesterday to 225p in spite of the continuing silence from the company about whether it still intends to battle with GEC over Decca. At that level Racal's most recent offer is worth around £97m, just about level with the nominal value of GEC's convertible share offer.

GEC's cash offer, however, is still ahead: it is bidding 550p per share cash for the voting shares against Racal's 500p.

Decca's shares, which dropped 10p on Tuesday to match the par value of GEC's convertible offer, yesterday made up the loss and ended at 595p. Brokers estimate that GEC's convertible offer would be quoted above par given the fact that GEC's shares have also been rising. Yesterday they increased by 11p to 388p.

Private concern offers £0.47m for Polly Peck

Restro Investments, a private company based in Jersey, is making a cash offer worth £470,000 for the troubled ladies' fashion concern, Polly Peck (Holdings).

Restro is indirectly owned by Mr. Asil Nadir, chairman and managing director of Wearwell, another publicly-quoted clothing company.

The offer amounts to 9p per share. In the market yesterday, Polly Peck's shares were standing at 9½p, up 1½p after the announcement.

Mr. Raymond Zelker, chairman and joint managing director, Mrs. Sybil Zelker, joint managing director, and Mr. Derek Hayes, a director, have given irrevocable undertakings to accept the offer in respect of their holdings totalling 57 per cent. Mr. and Mrs. Zelker will remain directors of Polly Peck.

Mr. Zelker yesterday described the offer as "financially prudent given that the current economic downturn may last a while."

For the first half to September 19, 1979, the company incurred a pre-tax loss of £29,000. There was a deficit in the previous full year of £22,000 and no dividends have been paid since early 1975.

Restro says it intends to continue and develop the business of Polly Peck. It also wants to maintain the company's listing and intends to make suitable arrangements with the Stock Exchange.

SPAIN

February 13	Price %	+ or −
Banco Bilbao	215	
Banco Central	238	
Banco Exterior	211	
Banco Hispano	214	
Banco Ind. Cat.	135	
Banco Madrid	170	
Banco Santander	250	+5
Banco Urquijo	183	
Banco Vizcaya	228	
Banco Zaragoza	200	
Dragados	103	
Espanola Zinc	82	
Fecsa	56.2	−0.2
Gal. Preciados	36	+1
Hidrola	62.2	−0.3
Iberduero	59.7	−1.0
Petroleos	115	−0.7
Petroliber	72	
Sogefisa	115	
Telefonica	55	−0.2
Union Elect.	63.5	−0.5

Heg

UK COMPANY NEWS

Scuricor moves ahead 2% to record £6.9m

ALTHOUPROFITS from the UK indu security division were lowt £3.62m, against £3.73m, santially improved contribut from its other activities at that *Securicor Group* inded pre-tax surplus by 28 per *from £5.42m* to a record £m fur the year ended Sepber 28, 1979. Turnover rose £21m to £142.1m.

When rting first-half profits up fr£2.28m to £2.85m, Mr. Peter th, the chairman, forecast tafter absorbing a proportion the start-up costs of the extd parcels service, the full 's result should show contd overall growth, although amore modest rate than in 19

The chain says the finance and insuraside had a particularly goor benefiting from continued n interest rates. Profits fros division jumped from £0.6to £1.62m, while the proper otels and vehicle business tributed £0.71m (£0.39m).

Overseasfits expanded by 58 per cefrom £0.62m to £0.98m, bue competitive UK industrial urity side was affected byher wages costs. This, toge with setting-up costs of thew 2/50 parcels service (tways/50 kilos) was reflected ie lack of profits growth heMr. Smith comments.

However board looks forward to coted growth of the extended pls service in 1980.

Stated eags per 25p share were well at 13.6p (8.8p). A final did of 1.02p net effectively es the total payment from 89p to 1.47p, adjusting for one-for-one scrip issue.

Tax took 3m (£1.62m) and after minorities of £2.12m (£1.63m) and extraordinary credits of £0.19m last time, atributable profits climbed from from £2.35m to £3.48m.

Since the year-end, a professional revaluation has shown a surplus exceding £3m book value.

Turnover of *Security Services*, in which Securicor holds some 52 per cent of the equity, was £19.27m highec at £135.11m, while pre-tax profits advanced from £4.75m to £5.36m for the year ended September 28, 1979, with £2.29m against £2.01m coming in the first half.

Earnings per 25p share are given up from 11.7p to 13p and the dividend total is effectively lifted to 2.475p (2.1318p) net with a final of 1.65p.

Attributable profits increased from £3.64m to £4.43m, after tax of £0.93m (£1.34m) and an extraordinary credit of £0.23m last time.

● comment

● OF the total £1.5m gain in pre-tax profits last year at Securicor, about *two-thirds* was derived from the finance, investment and insurance division. The two main factors here were the rise in interest rates and the contribution from insurance. The group's self insurance policy has paid off heavily over the period, since the Scotland Yard drive against gangs has cut the number of robbery attacks and cash taken from group operatives by about a fifth. Elsewhere, the loss from operations in mainland Europe was stemmed.

However, competitive pressure in the security services field resulted in a slight decline in the UK industrial security division, in spite of an improvement *in the parcels service* which now accounts for 40 per cent of the group's UK turnover and up to 70 per rent of profits. In the current year the group is still enjoying the benefits of high interest rates and reduced crime, while the new 2/50 parcels servire is on target. The "A" ordinary share price rose 8½p yesterday to 97½p for a yield of nearly 3 per cent.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering *dividends*. *Official indications are not* available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Ariel Industries, Dalgety, Robert M. Douglas, English Association of American Bond and Share Holders, Guildhall Property, Malaysia Rubber, Throgmorton Secured Growth Trust.

Finals—Adams and Gibbon, General Funds Investment Trust, Howard Machinery, Imperial Group, Lancashire and London Investment Trust, Renown Incorporated, River and Mercantile Trust, River Plate and General Investment Trust, Tribune Investment Trust, *William Whittingham*.

FUTURE DATES

Interims—

Brown Brothers	Feb. 27
Staffordshire Potteries	Mar. 3
Utd. Real Property Trust	Feb. 20

Finals—

Dewhurst Dent	Feb. 15
Gen. Accident Fire Life Assur.	Feb. 27
Midland Bank	Mar. 14
Olives Paper Mill	Feb. 18
Ransomes Sims and Jefferies	Feb. 25
W. Coast Texas Reg. Inv. Tst.	Feb. 19

Brad first quarter trading loss

THERE HAeen a toss in the first quartetrading at *Braid Group*, vel distributor and retailer, saMr. Denby Bamford, chain, in his annual statement.

He explathat demand continued to line in the first three mon of the current year, with inevitable effect on sales profit margins.

In aden, many of the group's shooms were picketed by strs from the Vauxhall Ellese Port plant in October. group has also heen affecty rising costs and high interates.

Howevere chairman detects signs ome recovery. If these last, group is in a good position to advantage of the position.

The gros maintaining its close relat with Vauxhall, but the po of diversification of franchis being pursued: It continues ek further Ford distributors

Pre-tax ps fell to £746,160 (£870,820) he year to September 30, 79, including an exceptional it of £150,695, as reported oanuary 29. The chairman says the group was hit by supply difficulties.

The net total dividend is being raised to 1.76788p (1.5384p), with a final 10 per cent higher at 1.21288p, as known.

At halance date, stocks totalled £7.34m (£4.61m). Cash and bank balances amounted to £23,664 (£10,488). Short-term borrowings were up from £1.44m to £4.38m.

Meeting, Chester, on March 7 at 12.15 pm.

CU outlines arrangements with NML in Australia

The **Commercial Union Assurance Company** has published details of its arrangements with the **National Mutual Life Association of Australasia** regarding its non-life and life business operations in Australia and New Zealand. The link was first announced last August.

The life assurance business of *Commercial Union Assurance* Company of Australia is to be transferred to NML. The partly paid share of CUA will he converted into ordinary shares, with a request being made on CU for the uncalled liability costing A$4.8m.

Following this conversion, CU will own about 85 per cent of CUA. NML will make a proportionate offer to each of the other shareholders in CUA for up to 50 per cent of their respective holdings at A$1.50 per share.

NML will then acquire from CU at the same price sufficient shares to give it an equal shareholding in CUA as is held by CU. This will give CU and NML each a holding of about 46 per cent in CUA. The total cost to NML will be some A$34.8m.

NML will also take over management of the life business of Commercial Union Assurance Company of New Zealand. The non-life business of CUNZ will he transferred to a new general insurance company in which CU and NML will each have 40 per cent and CUA 20 per cent.

NML will transfer all the shares in its general insurance subsidiary, National Mutual Fire Insurance Company, to CUA.

First half downturn at Elbief

FOLLOWING the chairman's warning at the October annual meeting of a disappointing first six months, profits before tax of Elbief Company fell by £30,000 to £121,000 for the half year to October 31, 1979. Turnover of the manufacturer of handbag frames, leathergoods accessories and picture frames slipped from £1.37m to £1.27m.

Some loss of production was suffered during the period *because of the engineering strike* and the unsettled trading conditions which followed saw some loss of turnover and erosion of profit margins.

The commencement of the second half, however, has seeo an improving trend and some restoration of confidence.

Unless the steel strike is prolonged, the directors *say its* short-term effects are not likely to be damaging and the year's outcome is expected to be more satisfactory than seemed probable in the early months of the year.

For the year ended April 30, 1979 pre-tax profits increased from £307,000 to £354,000.

The net interim dividend is held at 0.385p per 10p share with payment waived by some directors and their associates on 7.84m (4.73m) shares—last year's final was 0.918p.

Half-yearly tax is estimated at £58,000 (£71,000), before taking into account any stock inflation relief which may become available.

Redfearn Nat. Glass on target

The first half at Redfearn *National Glass was progressing* according to plan, the group's chairman and managing director, Mr. J. L. C. Pratt, told shareholders at the annual meeting.

As already reported, pre-tax profits for the year to September 30, 1979, slipped from £3.9m to £3.3m and the chairman anticipated that the current half would produce only a break-even situation, but with a substantial improvement in the final six months.

Negotiations on a cost-reduction programme were completed before Christmas and the consequent redundancy payments had been made, Mr. Pratt told the meeting.

Start up of a *new* subsidiary, R. N. Plastics, had been delayed by the late delivery of ancillary machines and the commissioning problems encountered in *bringing* plant on *stream*. But the furnace rebuild at York had been completed satisfactorily and production had recommenced.

Weber Hldgs. lifts dividend

Compared with the forecast of a final dividend of not less than 7.5p for 1979, the directors of Weber Holdings, the investment and property group, are recommending a final of 11p to lift the year's total from 10.75p to 13p.

Profits improved from £113,356 to £142,255 following the increase to £65,384 from £53,399 in the first six months.

Tax for the year amounted to £66,496 (£53,784) leaving a net profit of £75,759 compared with £59,572. The carry forward is £222,473 against £207,165.

INVESTMENT TRUSTS

Anglo-American Secs. earns and pays more

INCLUDING THIS time non-*recurring* income of £310,100, pre-tax revenue of Anglo-American Securities Corporation jumped from £3.5m to £4.7m for the year ended January 15, 1980.

A second interim of 3p, in lieu of final, raises the total from 3.3p to 4.2p per 25p share, plus a special payment of 0.54p out of non-recurring dividends received during the year on removal of dividend restraint.

Tax for the year took £1.7m against £1.35m leaving net revenue up from £2.15m to £2.99m.

Net asset value is shown lower at 126.5p, compared with 138.5p a year earlier.

DRAYTON PREMIER

TAXABLE revenue of Drayton Premier Investment Trust went ahead from £3.88m to £4.55m in the year to December 31, 1979 and the dividend is stepped up from 7.4p to 9.9p net with a final of 6.8p.

Tax takes £1.76m against £1.56m and the net asset value is 227.5p (256.5p).

GENERAL CONSOLIDATED

PRE-TAX profits of General Consolidated Investment Trust have again shown an increase, rising for 1979 from £1.3m to £1.6m after interest of £290,667 against £271,477.

Gross revenue climbed from £1.6m to £1.9m. Tax charged was up from £463,138 to £554,418, and stated earnings per 25p share were ahead at 6.74p (4.46p).

The final dividend is raised from 2.95p to 3.1p making a total of 5.1p (4.25p). The directors are recommending a special non-recurring dividend of 0.43p, equivalent to exceptional income from Shell and Unilever.

Net asset value per share is at its highest level—112.3p against 110.4p.

YEOMAN INVESTMENT

THE NET total dividend of Yeoman Investment Trust is being stepped up from 8.625p to 10.75p for 1979, with a final of 6.75p. There is also a special non-recurring payment of 1.05p, equivalent to exceptional income received from Shell.

Pre-tax profits advanced from £800,744 to £1.09m, after interest of £234,780 (£227,647). Tax took £348,066 (£262,782). Gross revenue was higher at £1.34m, against £1.03m.

Earnings per 25p share are shown to have risen from 8.87p to 12.16p. Net asset value is given as 251.4p (241.6p).

MINING NEWS

Norwich Park's new contract

BY KENNETH MARSTON, MINING EDITOR

AUSTRALIA'S biggest *coal* mining group, **Utah Development**, has signed a new eight-year contract with Japanese steel mills valued at about A$450m (£216m), reports **James Forth** from **Sydney**. Utah has also announced 1979 earnings of A$139.1m which compare with A$138.2m in 1978. Sales rose *11 per cent to A$673m*.

The company is 10.8 per cent owned by **Utah Mining Australia**, the major balance of 89.2 per cent being held by America's **Utah International** which is a wholly-owned subsidiary of **General Electric** of the U.S.

Despite the marginal increase in profits Utah Development is raising its dividend distribution by 15 per cent to A$133.7m from A$116m. Consequently, the U.S. parent will receive a 15 per cent increase at A$119.25m and a similar increase will go to Utah Mining Australia.

The coal for the new contract with the steel mills will be supplied by Central Queensland Coal Associates, which is 76.25 per *cent-owned* by Utah Development, 12 per cent by **Mitsubishi**, 7.75 per rent by the life office, the Australian Mutual Provident Society, and 4 per cent by **Utah Mining Australia**.

It will come from CQCA's newest mine, Norwich Park. The contract is for 9.6m toones over eight years and accounts for about one-third of Norwich Park's planned annual production of 4.3m tonnes.

Other contracts were obtained last year with European customers but Norwich Park still has about one-third of production uncommitted. Taiwan and Korea are reportedly interested in entering into contracts. The price obtained on the new contract is A$46.88 a tonne.

The managing director in Australia of Utah Development, Mr. Keith Wallace, said yesterday that increased costs associated with deeper stripping at the mines and higher labour and material charges had affected the company's profit.

He said that his company was looking to a reasonably good year in 1980 and that a further improvement in world steel output was expected. The Japanese steel industry was showing surprising strength and the signs were that this would continue in 1980.

The directors hoped that coal prices might begin to strengthen in 1980 and added that the group would have the benefit of a full year's production from Norwich Park for the first time. Mr. Wallace also stated that Utah Development would invest "very substantial" funds in a minerals diversification programme.

OUTPUT CLIMBS AT BERJUNTAI

Tin concentrate output at Berjuntai, the largest producer in the Malaysia Mining Corporation group, climbed to its highest monthly level in January since August, 1978, the latest statistics show. But after nine months of the financial year production at 2,930 tonnes is still lagging behind the cumulative total of 3,150 tonnes reached at this stage last year.

Comparative output figures for the MMC mines are detailed in the accompanying table:

	Jan. tonnes	Dec. tonnes	Nov. tonnes
Aokam	154	184	148
Ayar Hitam	109	124	189
Berjuntai	383	344	299
Kemunting	15	14	19
Kramat	31	24	11
Kuala Kampar	22	20	20
Lower Perak	20	21	18
Malayan	277	268	302
S. Kinta Cons.	97	110	125
Sth. Malayan	199	199	177
Sungei Besi	162	187	171
Tongkah Harb	37	41	23
Tronoh Mines	135	164	187

Rustenburg: no sharp sales growth likely

IT IS unlikely that the market available to Rustenburg and Impala, the two major South African platinum producers, will increase substantially in the 1980s, Sir Albert Robinson, the Rustenburg chairman, said yesterday, *reports Bernard Simon* from Johannesburg.

Although the motor industry's demand for platinum may increase, this will not necessarily mean higher sales of newly-mined metal, as recycled metal could become significant by the mid-1980s, Sir Albert told an investment conference.

Jewellery demand appeared to be the most likely area for expansion. The Japanese market, presently the largest, may show modest growth but the industry is pinning hopes on promotion campaigns in the UK and West Germany.

There is likely to be greater competition in the 1980s from U.S. and U.S.S.R. producers, Sir Albert predicted.

Hinting at possible changes in Rustenburg's pricing policy, Sir Albert said the current producer price of $420 an ounce gave only "a reasonable return" and Rustenburg should apply its policy more flexibly. It would not be inconsistent to charge a premium over what is considered the "right" price, when the market is strong. The current free market price of platinum is around $925.

MINING BRIEFS

BISICHI-JANTAR (NIGERIA)—Output of concentrates for December: tin 25.75 tonnes, columbite 31.90 tonnes. Twelve months to date: tin 291.41 tonnes, columbite 354.14 tonnes. Previous 12 months: tin 247.86 tonnes, columbite 329.19 tonnes.

SAINT PIRAN—Production of tin concentrates by Saint Piran Group companies: UK (tonnes treated 20,844) 178 tonnes (70 per cent tin metal). Malaysia 22 tonnes. Thailand 90 tonnes.

KINTA KELLAS TIN—Output of tin ore for January 33.56 tonnes (December 35.08 tonnes).

GEEVOR TIN—January return: 10,245 tonnes ore treated produced 92 tonnes Black tin (65 per cent Sn.). December output 75 tonnes.

CONZINC RIOTINTO MALAYSIA—Sn Timah dredge production for January 103.09 tonnes (December 53.23 tonnes).

ANGLO AMERICAN CORPORATION—Coal division sales output for January (figures in metric tons). Republic of South Africa: Bituminous: Anglo American Coal 2,842,892. Other Collieries: Vierfontein 114,735. Zumguin Natal 28,452. Anthracite: Natal Anthracite 69,011. Rhodesia: Wankie Colliery (Coal) 223,975; (Coke) 22,020, 255,995. Swaziland: Swaziland Collieries 1,858. Botswana: Morupule Colliery 28,512. Group total 3,361,455.

NORTH AMERICAN NEWS

Amex signs French cheques deal

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

AMERICAN EXPRESS, the travel and banking group, has signed an agreement with three leading French banks, Credit Agricole, Banque Nationale de Paris and Credit Lyonnais, to form a jointly-owned French company to issue French franc travellers cheques. American Express said yesterday that the objective was "to provide a superior international payment medium for business and pleasure travellers of all countries travelling to and from the franc area."

The French banks will have majority ownership of the new company. The cheque business is scheduled to start in July.

American Express says that the French banks, as well as banks in other Euroepan countries, have also agreed to explore co-operative arrangements for travellers cheoues in other currencies.

The American Express move appears to be in response to current negotiations for the purchase of the Thomas Cook travellers cheque business by representatives nf some 2,000 European banks, which are said to be making satisfactory progress.

An announcement about a possible deal with Midland Bank, owner of Cook, seems likely to be made in mid March at a world retail bankers' conference in Monte Carlo.

The French banks' decision to operate with American Express does not seem to npset the Eurocheque organisation, which is handling the Cook discussions. Yesterday it was still being said that the three French banks might well join in the European travellers cheque venture.

Negotiations on the Cook purchase have been going on since the latter part of last year. Representatives of the European banks which have indicated an interest in buying Cook met again in Brussels on Tuesday this week. Negotiators were still at work yesterday, but all parties contacted seem optimistic that the projected deal could be achieved.

Currency gain lifts Household Finance

By Our Financial Staff

A CURRENCY gain of $5.4m, against a loss of $22.4m previously, enabled Household Finance, the large consumer finance group with strong representation in merchandising, manufacturing and car rental and leasing, to lift net earnings from $153.2m or $3.18 a share to $161.2m or $3.33 a share for 1979.

Diluted earnings rose from $2.99 to $3.15 a share. The latest figure was after deducting 33 cents a share because of a change to the Lifo accounting for domestic merchandising and manufacturing stocks.

Finance business revenues increased by one-third to $4.37bn during the year. Retail sales rose 18.4 per cent to $3.92bn and manufacturing sales 5.7 per cent to $245.6m, while transportation revenues advanced 18.7 per cent to $310.8m.

Household Finance said its finance net before unrealised foreign exchange gains and losses fell 12 per cent to $85.1m in 1979. It attributed the decline to higher interests costs, noting that short-term interest rates averaged 11.4 per cent last year against 7.9 per cent in 1978.

Purchased vehicle contracts from Chrysler Financial Corporation totalled $490.9m at the year-end.

Net merchandising earnings dropped 11 per cent and manufacturing earnings dropped 8 per cent, reflecting the adoption of Lifo accounting.

GTE advance despite rise in costs and Iran setback

BY DAVID LASCELLES IN NEW YORK

THE LARGE telecommunications concern, General Telephone and Electronics, reported a modest profit gain for 1979, despite higher costs and curtailment of one of its projects in Iran. Earnings were $645.1m or $4.20 per share, up 3.6 per cent on $622.2m or $4.17 earned in 1978. Revenues were $9.96bn compared with $8.7bn.

In the final quarter, GTE earned $176.2m or $1.14 per share, an increase of 10 per cent on the $160.3m or $1.06 earned in the same period of 1978. Sales came to $2.78bn, up from $2.4bn. The company said, however, that its fourth-quarter earnings were hit by the rapid rise in silver prices. GTE uses silver in electrical contacts for the construction, power and other industries.

Revenues from GTE's telephone operations rose 18 per cent to $5.2bn, but the company said that earnings from its Canadian subsidiary had been reduced by foreign currency translation losses. Sales of consumer electronics rose 8 per cent, with a 17 per cent increase in communications products. The latter suffered, however, from the Iranian revolution which brought one of GTE's communications projects there to an abrupt halt.

GTE also reported large gains in sales of lighting and electrical equipment (14 per cent), and precision materials (24 per cent).

Referring to the foreign currency loss, Mr. Theodore Brophy, chairman, said that the Financial Accounting Standards Board statement number 8 covering foreign currency accounting causes reported results to be "contrary to the basic economic facts involved." Mr. Brophy added: "We therefore continue to hope that the FASB will issue its planned revision of this statement at the earliest possible time."

Northrop gain helped by lower taxes

By Our Financial Staff

LOWER taxes helped Northrop Corporation, one of the leading manufacturers of military aircraft in the U.S., to achieve higher earnings in 1979, despite a drop in sales. The company said that net income for the year rose 2.1 per cent, although pre-tax net declined 4.2 per cent.

Fourth quarter earnings fell 23 per cent to $20.5m or $1.44 a share against $1.78 for the comparative quarter in 1978.

Net income for the year rose to $90.30m or $6.35 per share compared with $88.40m or $6.24 on sales which fell 15 per cent to $1.58bn compared with $1.83bn for 1978.

Its business backlog at December 31 totalled $2.1bn, up 75 per cent from $1.2bn a year. The increase, said the company, is due largely to the signing of a three-year Air Force contract for the Peace Hawk programme of training and support services in Saudi Arabia.

The company also has an agreement with Boeing for additional production work on the 747 jumbo jet for which it makes the fuselage.

Good year at General Signal

BY OUR FINANCIAL STAFF

GENERAL SIGNAL, maker of energy and pollution control equipment, has comfortably exceeded analysts' forecasts for 1979. Net earnings have increased from $2.93 to $3.52 a share, against recent prediction on Wall Street of around $3.45. Total net gained 37 per cent to $83.3m, on sales 30 per cent higher at $1.34bn.

In the final quarter, sales gained 17.5 per cent to $351.1m, and earnings 14 per cent to $23.46m. These gains compare with a 30 per cent rise in sales and 37 per cent in earnings over the whole year.

But the largest percentage gains were due in part to the inclusion of Leeds and Northrup, the major producer of energy and process control instrumentation, for all four quarters of 1979 as compared with only one quarter in 1978.

The Board says that 1980 will be another good year despite challenges posed by inflation and recession, and it believes that earnings growth rate will be maintained. Analysts have forecast a "moderate gain" in earnings in 1980.

In the final quarter, comments the company, results from transportation controls, energy distribution, and control and consumer products more than offset an earnings decline in the environmental and fluid process controls group.

In 1978, General Signal earned 36 per cent of total profits from environmental and fluid process controls, some 30 per cent from transportation controls, and 29 per cent from energy distribution and controls.

In view of the growth potential for rail freight, urban mass travel, pollution control and energy markets, both short and longer term futures for the company are regarded as favourable.

Further improvement in sales total is expected this year, and the company also expects to benefit from higher profit margins, reflecting cost reduction and asset management.

In July last year, General Signal acquired for 200,000 shares, Voorlas Manufacturing, which makes electric motors and had income of $1m in 1978.

Pinto case seen as 'a landmark'

BY IAN HARGREAVES IN NEW YORK

THE TRIAL of the Ford Motor Company on charges of "reckless homicide" in the design of its Pinto model yesterday passed the likely half way mark with Ford's lawyers apparently ahead on points.

With the prosecution case completed, five weeks after the trial started, the feeling in the tiny courthouse in Winamac, Indiana, is that Ford's $1m defence has already scored some crucial points.

The main success of the main Ford team has been to exclude from the trial detailed documentation collected by the prosecution about Ford's research on the safety of Pinto fuel systems before 1973.

That was the year in which Ford turned out a Pinto which five years later turned into a fireball when it was rammed from behind by a van. Three college students died.

The case has been hailed as a landmark in the complicated relations between manufacturers and consumers in the U.S. Business fears that a successful prosecution could open the floodgates to similar product liability claims.

Ford, which has already lost a number of civil cases on Pinto safety, also regards the matter as important to its corporate image and to its record in the U.S. as a builder of small cars.

Its team of lawyers, including Mr. James Neal, a former Watergate prosecutor, has been lined up against Mr. Michael Cosentino, the Elkhart county prosecutor, who has had to seek the help of volunteer law students to marshal the prosecution on behalf of the State of Indiana.

Mr. Cosentino has charged that the judge's ruling on documentation has prevented his side from painting the true picture of Ford's negligence over a period of years and blunted the impact of the state's star witness, Mr. Harley Copp, the former Ford executive who crash tested some Pinto models.

● The national highway traffic safety administration is investigating four of General Motor's new smaller models for potential safety defects, Reuter reports from Washington. The agency said that it is looking into reports of sudden and frequent engine stalling.

Cummins ahead of expectations

BY OUR NEW YORK STAFF

CUMMINS ENGINE, the world's leading manufacturer of high speed diesel engines, yesterday reported better than expected final quarter earnings but warned that it faces a tough period in the early part of this year.

Net profits in the quarter were down slightly at $15.6m compared with $16.7m in the same period of 1978, but this was a much better performance than analysts had feared. Sales were up by 9.5 per cent to $461.8m.

For the year, earnings were down to 10 per cent at $58m on sales up from $1.5bn to $1.77bn.

Mr. Henry B. Schacht, the chairman, warned, however, that a strike at International Harvester which began on November 1 would have a much greater impact on Cummins' earnings in the current quarter than in the last quarter.

The effects of the strike had been minimised at the end of last year by Cummins selling unclaimed orders for International Harvester to other customers, reducing its order-book as a result. That trend, he said, was unlikely to continue.

Fourth quarter earnings had also been helped by the effects of a price increase on July 30, higher engine and parts sales in what had been a record year for heavy duty truck production. Mr. Schacht said he expects truck production to decline this year, but he did not quantify his forecast.

Last year the U.S. industry produced just over 3m trucks in all ranges, down from 3.7m in 1978. Demand has fallen especially sharply for light trucks.

Strong upturn at Northgate

TORONTO — Northgate Exploration, the mining and resource group, earned $9.7m or $1.41 a share in 1979, compared with $458,000 or 7 cents in the previous year. In the final quarter, earnings increased from $763,000 or 11 cents a share to $2.3m or 34 cents.

Revenues from metals and metal concentrates in the fourth quarter were $11.4m compared with $2.3m a year earlier, and in the full year $40.3m against $9m.

The increased revenues were mainly attributed to higher metal prices, in particular lead and silver.

Agencies

Goodyear earnings slide 35%

BY OUR NEW YORK STAFF

GOODYEAR, the world's largest tyre manufacturer, saw profits slide 35 per cent last year in spite of a sharp rise in foreign earnings. Net earnings were $146.2m or $2.02 a share, against $226.1m or $3.12 previously, on sales up 10 per cent at $8.24bn.

In the final quarter, with sales virtually static at $2.07bn, profits fell sharply from a net of $71.6m to $43.2m.

Mr. Charles Pilliod, chairman, said that the car sales recession, made worse by rising imports, was to blame for the company's poor domestic performance. Plants had to be closed and other operations streamlined at a cost of $60.6m ($36.3m after tax) during the year. At the same time Goodyear faced heavy modernisation costs.

Foreign earnings, however, were a different story. Profits rose by 21 per cent to $75.5m on sales up 18.6 per cent at $3.33bn. This was in spite of losses in Britain, where Goodyear closed a tyre plant, and in Turkey and Sweden. The company complained of productivity problems at its Swedish plant.

Earnings in Germany, Holland, France and Italy improved while there had been a strong gain in profitability in Asia, Africa and Canada. In South America, profits were lower, partly because of price controls in Brazil and Venezuela.

Bechtel gets nuclear reactor clean-up job

By Our New York Staff

BECHTEL POWER Corporation, which is part of the large privately-held Bechtel group, has been assigned the job of cleaning up the crippled reactor at Three Mile Island, site of the U.S.'s worst nuclear accident last spring.

The company says the work could take up to four years and cost $320-400m, excluding replacing the damaged reactor core, which would cost about $60-85m more.

Although the company has a plan for tackling the job, it will not know the magnitude of the task until workers can gain entry into the containment chamber where the radioactive water still lies. The initial "washdown" will have to be done by robot, after which the radioactive waste would be removed from the site. Finally, all the parts would be cleaned and replaced as necessary.

There was a brief alarm earlier on Monday when radioactive water leaked from the containment chamber to an auxiliary building, releasing some gas into the atmosphere. However, there was no serious danger, nuclear officials said.

Kaiser Aluminum, Estel call off European talks

BY CHARLES BATCHELOR IN AMSTERDAM

KAISER ALUMINUM and Chemical Corporation of the U.S. and Estel, the Dutch-German steel making group, have called off their talks on a merger of their European aluminium interests following the sharp rise in aluminium prices. The two companies, which started their discussions in 1978, have agreed to meet again at the end of the year, to see if it is worth while re-opening negotiations.

A merger of Holland Aluminium and the Belgian company Sidal, both subsidiaries of Estel, with Kaiser Aluminium Europe would have produced a company with annual sales of around Fl 1.5bn (780m) and a workforce of 6,000.

Estel would have contributed Fls 1bn in turnover and 4,000 workers but the two companies would have had equal shares in the new joint venture.

Estel is still convinced that a merger with Kaiser is a good idea and has no plans to approach other companies about a possible link in the meantime.

When the two companies first started talking, the market was stable and they shared a common view of the outlook. They now no longer agree, however, on market prospects, the spokesman said.

The new company was to have been called Kaiser Estel Aluminum Corporation, and it would probably have been based in Dusseldorf, where Kaiser has offices.

Record fourth quarter for Holiday Inns

By Our Financial Staff

RECORD FOURTH quarter profits are reported by Holiday Inns. Earnings doubled from 1978's $5.7m to $11.4m, equal to 34 cents a share, on revenues up from $247m to $282.9m.

This lifted earnings for the full year by almost 56 per cent, from $52.5m to $71.3m, equal to $2.25 a share on revenues of $1.11bn against $935.8m previously.

The latest annual results exclude losses from discontinued operations of 49 cents a share, against gains of 33 cents a share in 1978.

The group attributed the record operating results to another better year for the company's hotel business and an excellent turnround at its steamship operations.

Papermill stake for NY Times

NEW YORK — New York Times has formed a partnership with Myllykoski Oy, of Finland, to expand a supercalendered papermill in Madison, Maine, at a cost of $185m.

The partnership, Madison Paper Industries, will be managed by Myllykoski, which will hold 60 per cent.

Financing was arranged through a group of banks including Toronto Dominion Bank, the Bank of Montreal, Morgan Guaranty Trust Company and Chase Manhattan Bank.

Reuter

Advance at J. Ray McDermott

BY OUR FINANCIAL STAFF

J. RAY McDERMOTT said that its 42 per cent improvement in third quarter net earnings and revenues was largely due to the completion of a large onshore/offshore construction project in the Middle East.

Third quarter net advanced to $49.3m or $1.29 per share compared with $34.7m or 84 cents in the previous year's third quarter on revenues which rose to $940.9m against $800.2m.

For the nine months, McDermott, world leader in the construction of offshore production platforms, earned $78.7m, down from $122.5m on revenues of $2.40bn, up from $2.34bn.

The company said that improved marine construction activity in the Gulf of Mexico, a termination payment in conjunction with the cancellation of a nuclear power generation facility by the power authority of the State of New York and better results in the engineered material group also contributed.

The company did not detail the size of the termination payment. Mr. George G. Zipf, president and chief operating officer of the company's Babcock and Wilcox unit, is retiring, and Mr. Walter M. Vannoy, executive vice-president and chief administrative officer, will succeed him. Mr. Zipf is also resigning his posts as vice-chairman and a member of the Board.

AMERICAN QUARTERLIES

BAXTER TRAVENOL

	1979 $	1978 $
Fourth quarter		
Revenue	327.5m	278.8m
Net profits	24.78m	24.56m
Net per share	0.72	0.73
Year		
Revenue	1.15bn	1.0bn
Net profits	111.9m	91.68m
Net per share	3.29	2.73

CONTINENTAL TELEPHONE

	1979 $	1978 $
Fourth quarter		
Revenue	297.4m	254.7m
Net profits	28.7m	26.34m
Net per share	0.52	0.52
Year		
Revenue	1.13bn	0.96bn
Net profits	114.3m	99.02m
Net per share	2.15	1.99

NATIONAL CAN

	1979 $	1978 $
Fourth quarter		
Revenue	252.9m	229.3m
Net profits	8.04m	3.82m
Net per share	0.79	0.40
Year		
Revenue	1.12bn	975.3m
Net profits	48.55m	20.57m
Net per share	4.81	2.19

G. D. SEARLE

	1979 $	1978 $
Fourth quarter		
Revenue	247.5m	204.7m
Net profits	24.55m	23.88m
Net per share	0.46	0.45
Year		
Revenue	898.4m	771.2m
Net profits	88.0m	80.16m
Net per share	1.68	1.52

STERLING DRUG

	1979 $	1978 $
Fourth quarter		
Revenue	391.3m	338.8m
Net profits	25.48m	23.12m
Net per share	0.42	0.38
Year		
Revenue	1.5bn	1.31bn
Net profits	111.59m	94.68m
Net per share	1.85	1.57

TAMPAX

	1979 $	1978 $
Fourth quarter		
Revenue	39.2m	38.2m
Net profits	7.73m	7.68m
Net per share	0.69	0.68
Year		
Revenue	194.8m	170.6m
Net profits	41.71m	33.63m
Net per share	5.70	2.98

EUROBONDS

Dollar sector decline halted

BY OUR EUROMARKETS STAFF

THE MARKET for straight dollar Eurobonds saw some respite from its recent savage declines yesterday as a number of issues actually posted gains of between ¼ and ¾ points on the day.

Volume was low, however, and bankers cautioned against reading any particular significance into the movement which was entirely due to the somewhat stronger lead from the New York bond market.

Floating rate note issues were also quiet except for the Midland Bank issue of last December. This slipped a little as news came in of a similar offering by Standard Chartered Finance.

Standard Chartered is to raise $75m through the issue of a convertible floating rate note lead-managed by Schroder Wagg and European Banking Corporation.

The bonds, due in 1990 will carry interest of ¼ per cent over six months Libor but will be convertible until March 31, 1983, at the option of the holder, into a 10¼ per cent fixed rate bond paying interest on a semi-annual basis.

The terms for repayment vary depending upon whether conversion occurs. The fixed bond will have a sinking fund of 20 per cent per year starting on March 31, 1986. This will give an overall average life of 7½ years. The fixed version will also be redeemable from 1986 onwards at a premium which will diminish from an initial 101½ per cent.

If the FRN remains a floater it will be redeemable at par from 1986 onwards and will not have a sinking fund, the minimum coupon is set at 5¼ per cent.

While Standard Chartered is not a name of the same calibre as Midland, dealers felt that the issue would go well, given that the dollar is not under pressure in the currency market.

Kredietbank of Luxembourg is trying out new tactics against the "Grey Market" (which trades bonds before issue) with a new issue denominated in European Units of Account for the Union Bank of Norway. The issue seeks to raise EUA 18m ($25.9m) for 10 years on a 9¼ per cent coupon.

Kredietbank is itself going to perform the clearing of these securities until six weeks after the payment date, when the task will be passed to the established clearing agencies. In this way, Kredietbank hopes to hold syndicate members to their standard commitment to place bonds for long-term investment and not to sell them cheaply in the market. Underwriters will be asked not to commit themselves for more bonds than they can place, and Kredietbank feels it will be in a better position to observe their performance.

Prices for Deutschemark denominated bonds on the secondary market closed mostly unchanged yesterday, although recent issues showed some gains on the success of the latest offering for Australia. This bond was heavily oversubscribed and lead managers Deutsche Bank yesterday quoted a price of 100 bid. The next new issue on the calender is a private placement, again for Australia, of DM 200m. Deutsche Bank, lead manager, is expected to announce the terms next Monday.

The Swiss Franc sector was very quiet with prices moving slightly lower in contrast to the steady rise during the past week.

WEST GERMAN MAIL ORDER

Sales advance for Quelle group

BY KEVIN DONE IN NUREMBERG

SHICKENDANZ, the Quelle mail order group which is the largest in Europe, is seeking to expand its trading links with China in an attempt to gain access to cheaper imports for its markets in Europe.

Group sales last year (to January 31, 1980), rose to DM 9.25bn ($5.3bn), an increase of 8.1 per cent. This outpaces the general growth of the retail industry in West Germany.

About 40 per cent of the goods sold by the group's Quelle mail order and retail stores operation are now imported, chiefly from suppliers in the Far East. Reduced buying by U.S. companies in recent months in this region has enabled Schickendanz to secure several important new long-term bulk supply contracts.

The group's success in holding down prices in Europe will largely depend on its ability to continue long-term bulk buying of low-cost imports.

In its latest catalogue for the spring and summer seasons it is keeping price increases to an average of 2 per cent—against an inflation rate running at 5-6 per cent in West Germany—and will hold this level for at least 6 months.

The group's total Quelle mail order business amounted to DM 5.47bn, a growth of 8.6 per cent. Of this, West Germany accounted for DM 4.51bn, an increase of 8.1 per cent which is ahead of the 6 per cent growth shown by mail order businesses in general in the Federal Republic.

The strongest growth was shown in France, however, where mail order sales by Quelle totalled DM 333m, an increase of 28.3 per cent. This sharp improvement is partly explained by the very fast general growth in French retailing last year, averaging 15 per cent, and partly because the lower German rate of inflation enabled Schickendanz to keep its prices at a very competitive level.

Quelle's total sales in West Germany last year—including sales from its national network of department stores—totalled DM 6.57bn, an increase of 7 per cent.

The only fall in sales was shown by its Schöpflin mail order and retail store subsidiary, which Schickedanz is in the process of re-organising. Six of its 12 stores were either closed last year or taken over by Quelle, and Schöpflin is to be aimed more specifically at the mail order market for high fashion garments and home furnishings.

Quelle now has 27 superstores in major West German cities, offering virtually the full range of goods shown by its catalogue, along with a further 153 stores (five more were added last year), specialising in hard goods, such as electrical appliances.

The total group includes an important paper-making subsidiary, Vereinigte Papierwerke, a brewery, Patrizierbräu, and a bank, Noris Bank. The industrial operations, including these activities, boosted sales by 11.8 per cent last year.

Group profits, which will be announced later this week, should be well ahead of last year, when the domestic operation showed a net profit of DM 121m. Sales this year are expected to approach DM 10bn, said Herr. Hans Dedi, deputy chief executive.

Commission earnings up at WestLB

By Our Financial Staff

WHOLLY satisfactory results were achieved by Westdeutsche Landesbank in 1979. Interest surplus at the parent bank fell by 8 per cent but commission earnings were "pleasing," Herr Johannes Voelling, managing Board chairman, said.

At the close of last year, the group balance sheet totalled DM 104bn compared with DM 93m a year earlier, while the parent bank balance sheet totalled DM 94.5m, against DM 85.9m. Business volume expanded by almost an eighth to DM 130.5m.

Herr Voelling said that Central Bank monetary policy in 1979 had "a lasting effect" on WestLB both as a central banker for savings institutions and in its domestic banking activities.

CEAT stays in deficit despite higher turnover

BY RUPERT CORNWELL IN ROME

CEAT, ITALY'S second largest tyre group after Pirelli, yesterday reported a rise of around 20 per cent in world sales last year to L1,000bn ($1.2bn). It is, however, still expecting to report a deficit of between L5bn and L5.5bn, about the 1978 level.

The company also confirmed that talks are continuing for the sale of the majority stake in CEAT, held by Societa Finanziaria Industriale Torino (SOFIT), in turn controlled by the Tedeschi family. Until now the most likely buyer appeared to be Artemis Corporation of New York. But it is being intimated in Rome that other possible purchasers are being contacted.

The company said the the recovery plan now under way, to enable CEAT to deal with problems facing the tyre sector worldwide, should enable the group to return to profits by 1981. However, total debt remains at some L200bn, and the group is "searching for assistance" either through a banking consortium or through fresh capital from a new partner.

The group's Italian operations showed a turnover of L241bn, up from L195bn in 1978. While tyre sales rose by 16 per cent, just in line with inflation, CEAT's cable activities grew by 35 per cent. Investments last year totalled L7.8bn, and a further L5bn of spending is planned in 1980 in the south of Italy.

● Cartiere Burgo, a leading paper producer, nearly doubled profits last year from L3.03bn in 1978. Turnover rose to more than L300bn in 1979 from L232bn, writes AP-DJ from Turin.

Enpetrol buys ICI's stake in Alcudià

By Robert Graham in Madrid

ENPETROL, the Spanish state controlled refining and petrochemical group, has acquired full control of the plastics company, Alcudia, by buying ICI's 50 per cent stake. The ICI equity was held partly by ICI Espana and by other group companies.

The company declined to give details of the price paid. Alcudia has capital and reserves of Pta 2.5bn ($37m) and in 1978, the last published balance sheet, it recorded net profits of Pta 316m ($4.7m) on turnover of Pta 8bn.

Alcudia, based near Terragona, is regarded as one of the bigger of ICI's eight different operations in Spain, according to a company spokesman. It produces 150,000 tonnes of ethylene and plastics products a year.

In the past year Enpetrol has been seeking to integrate its activities, and the move follows logically upon its possession of a cracking operation. ICI, for its part, appears happy with the divestiture, its position within the Spanish plastics and chemical market already consolidated. The plant will continue to use ICI technology and pay for ICI licences.

The purchase follows the acquisition 10 months ago by Enpetrol of Montedison's 50 per cent share in the chemical concern, Paular. At the same time Enpetrol's own share structure has changed. In November, Chevron and Exaco sold their 22 per cent stake in Enpetrol to the state holding company, INI, which now holds 94 per cent of the equity.

Danish bank increases dividend

By Hilary Barnes in Copenhagen

COPENHAGEN Handelsbank is lifting its dividend from 12 to 13 per cent for 1979 following an increase in net earnings from DKr 266m to DKr 347m ($64m).

The big boost to earnings came from the adjustment for security values, which contributed DKr 228m to profits in 1979 compared with DKr 93m in 1978. Operating profits were up from DKr 417m to DKr 456m.

The accounts balanced at DKr 38.2bn compared with DKr 33.7bn in 1978, an increase of 13.3 per cent. Deposits were up by 6.2 per cent to DKr 18.7bn and advances by 14.7 per cent to DKr 15.6bn.

Guaranteed capital and reserves rose from DKr 2.6bn to DKr 2.9bn. Mr. Bernard Gomard, the board chairman, said that the bank was well equipped to meet the demands of the 1980s.

L'Oreal sees sharp rise in profits

By Our Financial Staff

FRENCH cosmetics group L'Oreal expects profits to be sharply higher for 1979 with group operating profits estimated at FFr 550m against FFr 409m in 1978.

Group turnover increased by 18 per cent last year to FFr 6,58bn from FFr 5.6bn.

● Turnover of Cie Generale d'Electricite (CGE), including controlled and affiliated subsidiaries, increased by 11.3 per cent last year to FFr 35.353bn from FFr 31.529bn. The 1978 figure does not include the FFr 4.456bn of CII-Honeywell Bull, the French-U.S. computer firm. CGE sold its stake in Honeywell-Bull last year.

Turnover of companies controlled by CGE increased by 12.8 per cent. Turnover of the group's three major sectors were: telecommunication and peripherals FFr 6.65bn, engineering FFr 5.16bn, and electricals FFr 3.89bn.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on February 13

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	87¼	82¾	−1¼	−1¼	13.50
Alex Howden XW 9½ 91	30	†73	75	0	−1	14.23
Aquitaine Can. 11¼ 85	30	†91¾	82¾	−0½	−1½	13.57
Australian Res. 9¾ 84	30	87¾	89	0	+0¼	13.40
Avco O/S Cap. 10¼ 87	40	82	82½	−0¼	+3½	14.31
Beneficial Fin. 9¾ 87	100	82½	83	0	−2¼	13.54
CECA Grad. Rate 12 86	100	92½	93¼	+0⅛	−0¾	13.64
CECA 11½ 90	50	89⅜	89⅞	−1½	−2¾	13.58
Canadian Pacific 8¾ 89	50	80¼	80¾	−0¾	−3¼	13.55
Carter Hawley 9¾ 86	50	82¼	82¾	0	−2½	14.04
Cemalco Inv. E. 10¾ 91	40	82¼	82¾	−0¼	−0⅞	13.31
Continental Grp. 9¾ 86	100	82	82½	−0¼	−1⅞	13.97
Dome Petroleum 10 94	50	77⅞	78⅜	−0⅛	−3¼	13.49
Dominion Bridge 10¼ 84	30	86¾	87¼	+0¼	−2¼	14.44
EIB 11¾ 92	80	87⅞	88⅜	−0¼	+0¼	13.83
EIB 10¾ 87	100	85¾	86½	−0¾	−1¼	13.63
EIB 10.15 99	100	77	79½	−0¼	−1	13.76
Eksportfin 11¼ 87	50	90⅜	91⅛	−0⅜	−1½	13.34
Export Dv. Cpn. 9¾ 84	100	88⅞	89¼	−0⅛	−0¼	12.90
Export Dv. Cpn. 9¾ 84	150	88⅞	89¼	−0⅛	−1	13.02
Finland 9¾ 89	100	82½	83½	+0½	−0¾	13.19
GTE Finance 9⅞ 89	55	78¾	79⅞	−0⅛	−3¾	13.77
GMAC 8¾ 86	100	82⅜	82⅞	−0⅛	−2¼	13.46
GMAC O/S Fin. 11 84	100	92⅞	93⅜	−0⅛	+0¼	12.97
Gould Int. Fin. 9¾ 85	50	85¾	86¾	0	−1¼	13.93
ITT Antilles 9½ 89	75	78¾	79¼	−0⅛	−2½	13.73
Kennecott Int. 9⅞ 86	100	79½	80	−0½	−2⅞	14.63
Manitoba 9½ 89	75	78⅞	79⅜	−0⅜	−2⅜	13.63
Michelin 10 84	125	79½	80	−0½	−1¼	13.17
Nat. Des. Telecm. 9½ 86	100	84¼	84⅞	−0½	−1¼	13.20
New Brunswick 9¾ 94	75	74⅞	75⅜	−0½	−3¼	13.86
Newfoundland 10 94	50	75⅞	76⅜	−0⅜	−4¾	13.95
Norges Komm. 9⅞ 99	100	76½	78	0	−1	13.58
Norway 9½ 84	150	88¾	89¼	−0⅛	−0¾	13.06
Nova Scotia Pwr. 9¾ 89	50	79½	80	0	−2½	13.72
Occidental Fin. 10¼ 84	50	87¾	88¼	0	−2¼	14.11
Orient Leasing 9½ 86	25	84½	85	0	0	13.14
Pennwalt O/S F. 9¾ 84	25	86	86½	−0½	−3½	14.19
Pepsico Cap. 9¼ 84	100	87¾	88¼	0	−1½	13.28
Quebec Hydro 10 99	75	73¼	73¾	−0⅛	−3½	14.02
Sears Roebuck 8 82	150	92½	93	0	−0½	13.35
Statoil 9¾ 89	100	80¼	80¾	+0⅛	−2¼	13.37
Sweden 9¾ 89	100	80⅜	80⅞	+0⅛	−2	13.53
Sweden 9½ 86	200	87¼	87¾	0	+0¼	12.84
Sweden 9¾ 84	100	89¼	89¾	+0⅛	−0⅝	12.92
Unilever NV 9¾ 87	100	80½	91	0	−1½	13.48
Warner-Lambert 9 84	100	86¼	86¾	0	−1¼	13.21

Average price changes... On day −0⅛ on week −1¼

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 8 87	100	97½	98¼	+0½	−0½	8.37
Asian Dev. Bk. 7¼ 89	100	90½	91⅞	+0⅛	−1⅝	8.37
Barclays O'seas 6¾ 89	100	89¾	90½	−0½	−0½	8.32
BFCE 7¾ 87	100	98¼	98¾	+0¼	−1½	8.04
BFCE 8⅞ 95	100	96⅝	97⅛	+0½	−1¼	8.51
Brazil 8 81	150	93⅞	93⅞	+0¼	0	9.23
CECA 7 91	150	90¾	91¼	−0⅛	−1	8.26
Council of Eur. 7¾ 89	100	91	91½	−1¼	−8	8.88
Denmark 7⅞ 88	100	96⅞	97½	+0¼	−0⅞	8.51
Denmark 8¼ 92	100	98⅜	98⅞	+0½	−0½	8.45
EEC 7½ 94	225	95⅜	95⅞	+0¼	−1¼	8.41
EIB 7½ 89	200	95¼	96	−0⅛	+0¼	8.18
Finland, Rep. of 8 86	150	98¾	99¼	+0¼	−0⅛	8.19
Kobe, City of 7¼ 89	150	91¾	92⅛	−0¼	−3¾	9.40
Neder. Gasunie 8 86	100	101½	102	−0⅛	−0½	7.65
New Zealand 7¼ 87	200	92¾	93¼	−0⅛	−2½	8.44
Nippon Tel. & T. 5½ 87	100	84¼	85	−0½	−1½	8.51
Norges Komm. 7¼ 91	150	95⅜	96⅛	−0⅛	−2	8.33
Norway 6¾ 84	200	92¾	93¼	0	−3	8.35
Norway 7½ 85	250	97¾	98½	+0⅛	−1	7.97
OKB 8 87	40	88	89	0	0	8.23
OKB 7⅜ 89	100	94½	95	−0⅜	−1⅜	8.17
World Bank 7¾ 91	400	94¾	95	−0⅛	−1⅝	8.49
World Bank 7⅜ 90	250	95⅜	95⅞	0	−1⅞	8.56

Average price changes... On day −0⅛ on week −1⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentine 5½ 89	80	94⅞	95⅞	−2¼	+0¾	6.27
Aumar 5 89	80	92	93	−1½	+0¼	6.07
Australia 3¾ 89	250	90	90¾	−0¼	+1⅞	5.00
Bergen, City of 4¾ 91	40	82½	93	−1¼	−0½	5.62
BNDE 5 89	75	87	87½	−0¼	+3⅞	8.87
BMW Overseas 4¾ 91	100	92½	92¾	−0¾	+0¼	6.15
Caisse Nat. Tele. 4¾ 89	100	90½	91	−0¼	−0¼	5.65
Canada 3¾ 89	300	90¼	90½	−0⅛	+1½	4.96
Copenhagen 4½ 91	80	89	89¾	−0¾	+0¼	5.78
Council of Eur. 5 89	100	93½	93¾	−0⅛	+2¼	6.87
EIB 4½ 91	100	89	88½	−0⅛	+2	6.95
EIB 4⅞ 94	100	85	85½	−0⅛	−0½	5.91
Elet. de France 4¾ 89	100	90¾	91	0	−0¼	5.84
EZB 4⅞ 89	100	89¾	89¾	0	+2¼	5.68
Hilti 4½ 91	35	96	96½	−0¼	+3	4.87
Int.-Amer. Dev. 4½ 89	100	90⅜	90⅞	+0⅜	+1¼	5.81
Jutland Tele. 5½ 90	60	100	100½	+0⅛	+0⅝	5.47
Malaysia 5 89	20	88¾	89½	−0⅛	+1⅝	6.55
Nippon Tel. & T. 4¾ 89	100	93¾	94	−0⅛	+2¼	5.07
Nordic Bank 5 89	45	93¾	94½	−0¼	−1⅞	5.82
Norges Komm. 4¾ 91	100	88½	88¾	−0⅛	+1½	5.74
OKB 3¾ 91	100	83⅞	84¾	−0¼	−1¾	5.70
OKB 4¾ 91	100	88⅝	88⅞	0	+2⅞	5.72
Oslo, City of 4¾ 91	100	89	88½	+0⅛	+1⅜	5.78
Shikoku El. Pwr. 4¾ 89	100	94¼	94¾	+0⅛	−0¼	5.50
Spain 4 91	100	86	86½	−0⅛	−0⅛	5.71
Steweag 4¾ 91	60	91	92	−1½	−1¼	5.78
Voest-Alpine 4¾ 89	90	93	93¼	−0⅛	+0¾	5.68
World Bank 4⅝ 89	100	98	88½	−0⅛	+1½	4.85
World Bank 4⅞ 89	150	91⅜	91⅞	−0⅛	+0⅞	5.50
World Bank 4⅝ 91	100	91⅛	91⅝	−0⅛	+0⅝	5.65

Average price changes... On day −0⅛ on week +1

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	88¾	89¼	−0⅛	−0⅞	8.37
Australia 6½ 88	20	84½	85½	0	−0⅝	9.20
EIB 7¾ 89	12	96¾	97¼	−0¼	−0⅞	8.25
Finland 6.6 83	10	87⅞	88⅞	0	−0⅞	9.48
Finland 6.8 89	10	85⅝	86⅝	−0⅛	−1½	9.32

Average price changes... On day −0⅛ on week −0⅞

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin. 10¾ 86 C$	25	81½	82	0	−2¾	14.94
Bell Canada 10¼ 86 C$	60	88¼	88⅞	−0¼	−1	13.47
Cr. Foncier 10¾ 84 C$	30	87⅞	87⅞	−1¼	−0¼	14.17
Ex. Dev. Cpn. 10 84 C$	60	88¾	88⅞	+0½	−0⅛	13.86
Fst. Can. Inv. 10 84 C$	90	87¾	88¼	+0½	−0⅛	13.88
Hudson Bay 10½ 89 C$	60	84⅞	85¼	+0⅛	−0¼	13.39
Quebec 10½ 86 C$	50	85	85½	−1¼	−2⅞	13.91
R. Bk. Canada 10 86 C$	40	88⅜	88⅞	−0¼	+0⅛	12.72
R. Bk. Canada 10 94 C$	40	78⅜	78⅞	−0⅜	−3⅞	13.42
Copenhagen 8¼ 91 EUA	20	97	98	−0¼	−1⅛	9.09
M. Bk. Dnmk. 9 91 EUA	25	95½	96½	−0½	+0⅛	9.57
SOFTE 8¾ 89 EUA	40	86¾	87⅜	0	−1	10.52
Algemene Bk. 8¾ 84 Fl	75	96¼	96½	−0¼	−1⅛	9.23
Ned. Gasunie 8¾ 84 Fl	50	97⅜	97⅞	0	−0⅞	9.41
Ned. Middbk. 8¾ 84 Fl	75	95¼	95¾	0	−1⅝	9.61
Norway 8¾ 84 Fl	100	95⅜	95⅞	0	−0⅛	9.68
Norway 8¾ 84 Fl	100	95⅛	95⅝	0	−0⅝	9.51
Philips Lamps 8¾ 84 Fl	75	96¼	96¾	0	−1	9.35
Air France 11 84 FFr	120	96⅝	97⅛	−0¼	−0⅝	11.86
Euratom 9¾ 87 FFr	150	85¾	86⅜	0	+0⅛	12.82
Finland 11 84 FFr	80	95⅜	96⅛	0	+0⅜	12.24
Finland 11½ 89 FFr	70	94½	95⅛	−0⅞	+0⅛	12.46
Gaz de France 11 84 FFr	150	95⅜	96¼	0	−0¼	12.05
IBM France 11⅞ 84 FFr	120	96⅞	97⅜	0	0	12.79
Renault 9¾ 85 FFr	100	86⅞	87⅞	0	+0¼	13.12
Saint-Gobain 9¾ 86 FFr	130	85⅝	86⅛	0	+0⅛	13.21
Solvay et Cie 9¾ 81 FFr	125	82⅞	83⅞	0	−0¼	13.49
Total Oil 9¾ 81 FFr	150	82⅞	83⅞	−0⅛	−0¼	13.11
Citicorp O/S 13½ 90 £	50	95¼	96	+0⅛	+0¼	14.35
EIB 11¾ 91 £	25	84¾	85½	−0⅛	−0¼	14.18
Finance for Ind. 13 91 £	15	93¾	94¾	+0¼	+1¾	14.09
Fin. for Ind. 12½ 89 £	30	90¼	91	−0¼	0	14.34
Gen. Elec. Co. 12½ 89 £	50	92¾	93⅛	+0⅛	+0⅛	13.94
Indonesia 8¾ 91 KD	7	†92⅞	93⅜	0	0	9.76
Mitsubishi 7½ 84 KD	10	†95⅜	95⅞	0	0	8.70
Norges Kom. 7½ 89 KD	12	†93⅜	93⅞	0	0	8.51
Occidental 8¾ 91 KD	7	†90¼	90¾	0	0	9.68
Akzo 9¾ 87 LuxFr	500	94¼	85¾	−0⅛	−0⅛	10.25
Euratom 8. 81 LuxFr	500	89⅝	90⅝	0	−0⅛	10.05
Euratom 9¾ 88 LuxFr	500	99¼	100¼	−0¼	−0½	9.79
EIB 9¾ 88 LuxFr	600	99⅞	100⅞	0	0	9.88
Volvo 9¾ 87 LuxFr	500	98¾	99¼	−0⅛	−0⅛	9.95

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5¾ 87	0¼	97⅞	98⅜	2/7	15⅛	15.41
Banco di Roma Int. 6 87	0½	99½	100	26/4	15¾	15.79
Bank of Ireland 5¾ 89	‡0¼	97¼	97¾	21/2	15.69	16.09
Bank of Tokyo 5¾ 89	‡0⅛	97¾	98¼	25/4	14.66	14.88
Barclays O/S Inv. 5 90	0¼	97⅜	97⅞	13/6	14⅛	14.60
Bergen Bk. A/S 6 89	‡0⅛	96¾	97¼	29/2	14.31	14.76
Bque. Indo Suez 5¾ 89	0¼	98⅜	98⅞	11/7	14.69	14.89
Citicorp O/S F. 6 94	‡0¼	89¾	99⅝	8/3	14.44	14.58
Citicorp O/S F. 89	§‡0	99½	100	23/2	15⅜	15.16
Citicorp O/S F. 84	‡0	99¼	99¾	29/2	14⅜	14.70
Co-operative Bk. 6 86	0¼	97⅝	98¼	15/5	15.06	15.39
Creditanstalt 5½ 91	§‡0¼	98¼	99⅝	14/3	14⅞	15.12
CNT 5¾ 86	§0¼	99½	100	16/4	15.19	15.23
GZB 5½ 89	‡0¼	98¼	98¾	1/5	14⅜	14.85
Jugobanka 8 89	0⅞	92¼	93¼	23/5	18	17.25
Ind. Bank Japan 5¾ 87	0¼	97¾	98	15/4	14¼	14.58
LTCB Japan 5¾ 88	0¼	97⅝	98¼	13/5	14⅜	14.56
LTCB Japan 5½ 89	0½	97¼	97¾	7/6	14.19	14.55
Mira. Han. O/S 6¾ 94	‡0⅛	98⅜	98⅞	28/2	12.91	14.01
Midland Intl. Fin. 5 89	0¼	99	99½	20/8	15	15.11
Nacional Fin. 6¾ 86	0¼	97¾	98¼	25/7	14.69	14.99
Nat. West. 5¼ 94	§0¼	97¾	98¼	11/4	14.94	15.26
Nippon Cred. Bk. 6½ 89	0¼	97⅜	97⅞	12/7	14.44	14.79
Nippon Credit 5¾ 87	‡0¼	98	98½	8/5	14.69	14.95
Royal Bk. Scot. 5¼ 94	§‡0¼	98⅜	98⅞	11/4	14⅜	14.83
Soc. C. de Bque. 6½ 87	0¼	98⅜	98¾	3/4	13¼	13.71
Sogenal 5¾ 89	§0¼	96⅝	97⅛	13/7	14.44	14.90
Sweden 8¼ 91	‡0¼	97¼	97¾	18/4	14.44	14.83
TVO Pwr. 9 91 (D-lock)	0¼	97½	98	24/5	15.31	15.67
Williams & Glyn 5¾ 91	0½	97⅜	97⅞	14/3	13	13.32
Bq. E. d'Alg. 4¼ 89 BF	0¾	94¾	95½	18/6	6.69	7.03

Average price changes... On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7½ 89	10/79	145	113	114	+2	−7.92
Ajinomoto 1¾ 95	2/80	618	96¾	97¾	0	1.17
Alco Int. Fin. 9½ 94	1/80	40	96½	97¾	0	*16.84
Asahi Optical 7 94	11/79	605	90⅞	91⅞	+0¼	*12.22
Canon 6¾ 94	8/79	570	104¾	105¾	−0⅛	1.91
Ciba-Geigy O/S F. 4 94	9/79	675	86½	89	−0¼	−4.04
Credit Suisse 4¼ 93	10/79	1325	110½	111¼	+0¼	−2.06
Daiei Inc. 6½ 84	11/79	1020	93⅞	94¾	−0¼	10.06
Enserch Fin. 9¾ 94	7/80	30.25	116	117	+0⅛	7.63
LPC Internatnl. 8 89	9/79	35	117¾	119	+1	2.60
Meidensha Elec. 7 94	12/79	210	92½	93½	−0⅛	24.79
Mitsubishi Cp. 6½ 94	10/79	604	124⅜	125⅞	0	13.63
Nippon Seiko 7¾ 94	12/79	339	103	104	+0½	0.23
Nitto Elec. Ind. 8 94	7/79	735	79	80¼	0	18.04
Toshiba Cpn. 7¾ 94	10/79	198	98¼	99¼	0	4.74
Union Bk. Switz. 5 89	2/80	125	104½	106¼	−0¼	−0.21
Fujitsu 5 84 DM	1/79	475	101¼	102	+0¼	22.12
Kansai Elec. 4 84 DM	4/79	1234	84¾	85¾	0	50.61
Tokyu Ld. Cp. 4 86 DM	4/79	493	77¼	78¼	−0⅛	38.06
Uny Co. 6½ 85 DM	11/79	1071	93	93¾	−0⅛	14.14

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

$300m syndicated loan sought by South Korea

BY ANTHONY ROWLEY IN HONG KONG

THE STATE-OWNED Korea Exchange Bank is seeking a loan of US$300m through a Hong Kong-led syndicate of international banks. This will be the first major loan to be negotiated by a Government agency since the assassination of Park Chung Hee, the South Korean President, last October.

As such, it is seen as a test of world banking confidence in the country. Confirmation of the plan comes in a week when Lee Hahn-Been, Korean Deputy Prime Minister and Minister of Economic Planning has flown to Washington in an effort to bolster such confidence.

Recently the U.S. Federal Reserve cautioned U.S. commercial banks operating in Korea against increasing their loan exposure to the country. The Seoul mission this week aims to muster financial support with the U.S. government, the International Monetary Fund, and the World Bank.

The loan is for eight years at 0.75 per cent over London inter-bank offered rate (Libor) for the first three years and with a margin of 0.875 per cent for the last five years. Bankers here said that South Korea had pressed for terms virtually as fine as those it could have expected without the series of upheavals following President Park's assassination.

Four banks are among the co-ordinating group for the latest loan. They are BA Asia, the Hong Kong merchant banking arm of Bank of America; Chase Manhattan Asia, which is Chase's Hong Kong merchant bank; Lloyds Bank International; and Morgan Guaranty Trust of New York.

The Korea Exchange Bank, is expected to re-lend the proceeds of the loan to government and private concerns in South Korea. Bankers suggested that the loan, which is understood to carry a management fee of around 1 per cent, might in fact net subscriptions of more than $300m, given the incentive of the slightly hardened rate. The loan might have been expected to carry a straight 0.75 per cent margin throughout its term but for recent events.

Last month, Seoul officially devalued the won by 16.55 per cent against the U.S. dollar as a measure to boost the country's exports. Even so, a current account deficit of around $4.7bn is expected this year, and capital inflows such as that provided by the latest loan will be needed to compensate for this.

The Korea Electric Company (KEC) postponed a $200m loan for a nuclear power plant last year, but bankers think it will not be long before the company is back in the market. The other major state bank, Korea Development Bank may also be back in the syndicated loan market before long, bankers feel.

Results at Sappi vindicate Stanger Pulp acquisition

BY JIM JONES IN JOHANNESBURG

SAPPI, South Africa's largest paper maker, has announced record profits for the year to December. The figures are not strictly comparable with earlier results because of the acquisition from June 1 of Stanger Pulp and Paper from Reed International, but operating profits increased by 46.7 per cent from R25.7m to R37.7m ($46.2m), on a 27.5 per cent turnover advance to R261.6m ($320m) from R205.1m.

Several Johannesburg analysts had expressed fears that the acquisition would be a drag on Sappi's earnings. But the management, in pointing to the year's profit and turnover advances, feels vindicated in its expansion decision. Stanger, which was consolidated in the accounts for only seven months of 1979, contributed approximately one third of the growth in sales and R2.9m of the operating profit.

For the current year, the board expects the group's performance to improve materially.

Sappi has declared dividends totalling 36 cents compared with 22 cents from earnings per share of 89.2 cents against 50.5 cents.

Improved demand for paper has reached the 39 per cent-owned Carlton Paper — South Africa's leading producer of disposable tissue products. Following disappointing interim results, Carlton made sales of R58.6m during the year, against R53.9m in 1978, from which pre-tax profits improved marginally, from R6.78m to R6.86m.

Gulf and Western bids for AFS

BY JAMES FORTH IN SYDNEY

THE STRUGGLE for control of the finance group, Australian Finance and Securities (AFS) took and unexpected turn yesterday with a A$11.5m (U.S.$12.74m) takeover bid from the U.S. financier, Associates Corporation of North America, which is based in Dallas, Texas.

Associates is the seventh biggest finance group in the U.S. with shareholders' funds of U.S.$530m and total assets of U.S.$4.2bn. It is owned by Gulf and Western Corporation, which also owns Paramount Films.

Last month Marac Holdings, the New Zealand group, announced plans to buy a 34 per cent stake in AFS from Hambro Australia, the local offshoot of the UK banking group Hambros, with the approval of the Foreign Investment Review Board (FIRB). But the stock exchange stepped in and insisted that Marac should comply with new exchange regulations.

Because it was seeking more than 20 per cent the exchange wanted Marac to stand in the market and take all shares offered. Several discussions were held between exchange officials and Marac representatives and the New Zealand group sought approval to lift its stake further by standing in the market.

It is understood that FIRB indicated that it would not give such approval, and that it was opposed to an increase in total foreign ownership beyond the present level.

Apart from Hambro, the Philadelphia National Bank owns 24 per cent, making the foreign ownership level 58 per cent. Associates, which is offering A$1.20 for fully-paid AFS shares and 90 cents for partly paid shares, is prepared to bid for the entire capital if allowed, but stated that its offer was subject to obtaining at least 50 per cent of the capital.

Perth exchange queries deal by Alan Bond

By Our Sydney Correspondent

Perth Stock Exchange has queried the transfer by Mr. Alan Bond, the Australian businessman, from his family company, Dallhold Investments Pty, of a 15.05 per cent interest in TVW Enterprises, the Perth television group, to the publicly-listed Amalgamated Industries, which is associated with the Bond group of companies.

Amalgamated yesterday told the exchange that through its subsidiary, Industrial Distributors, it had received 1.67m TVW shares by transfer. These shares were earlier purchased by Dallhold and held in trust. Perth exchange replied expressing concern about the lack of information surrounding the transfer.

The exchange also pointed out that if Dallhold had been holding the TVW shares in trust for Amalgamated, then the market had been "substantially uninformed" since the original purchase date on December 14.

It also reminded the Amalgamated directors that if the shares were recently purchased then a full meeting of shareholders should be called to vote on the acquisition of substantial assets from a director. Mr. Bond is chairman of Amalgamated.

Amalgamated directors said that the TVW purchase was a major investment in a Western Australian company that had substantial profit potential. Amalgamated was interested in building up the holding to at least 20 per cent, and would approach TVW for board representation.

Gold futures broker suspended in Sydney

BY OUR SYDNEY CORRESPONDENT

ONE OF Australia's biggest futures brokers, Ross McConnell Kitchen (RMK) yesterday requested suspension from trading on the Sydney Futures Exchange. The suspension sent a shock through the futures market. No reasons were given but it is widely believed that the action was a legacy of recent hectic trading in gold futures, exacerbated by a backlog in the company's processing of business.

The status of the suspended broker is still uncertain but it was suggested last night that that attempts were being made to organise a rescue operation, by the introduction of another substantial group. The size of any possible losses by the broker are not known at this stage.

A spokesman for the International Commodities Clearing House, the UK based organisation which registers futures contracts, said RMK was not in default on its contracts. He said the company was paid up in its margins and deposits and that positions held by RMK clients in the futures market were not being affected by the suspension. The clearing guarantees performance of futures contracts to clearing members.

The clearing house itself is not affected financially and is at no risk since the suspended company has sufficient funds lodged to cover all deposits and margins. RMK is Australia's second largest gold futures broker and accounts for about 15 per cent of the volume in that market.

VONTOBEL EUROBOND INDICES
14.5.76=100%

PRICE INDEX	12.2.80	5.2.80	AVERAGE YIELD	12.2.80	5.2.80
DM Bonds	95.30	96.01	DM Bonds	8.261	8.136
HFL Bonds & Notes	92.49	93.67	HFL Bonds & Notes	9.807	9.694
U.S. $ Strt. Bonds	84.35	85.43	U.S. $ Strt. Bonds	12.023	11.785
Can. Dollar Bonds	86.27	86.71	Can. Dollar Bonds	12.602	12.507

CURRENCIES, MONEY AND GOLD

Pound firm

Sterling showed a marginal improvement against most currencies in the foreign exchange market yesterday, in fairly dull trading. There was little in the way of fresh factors to stimulate much movement, and the pound trade weighted index finished slightly higher at 73.0 compared with 72.9 on Tuesday and 73.1 at noon and 73.0 in the morning. Against the dollar it opened at $2.3050 and dipped to a low point of $2.3035 before recovering to $2.3095. However this was short lived, and most trading until early afternoon took place around the $2.3050 level. During the afternoon, as the dollar started to ease a little, sterling rose to a closing level of $2.3080-2.3090, a rise of 1.15c from Tuesday.

The dollar traded steadily for most of the morning but started to ease during the afternoon to finish on or slightly above its worst level of the day. Against the D-mark it fell to DM 1.7355 from DM 1.7415 and to SwFr 1.6130 from SwFr 1.6170 in terms of the Swiss franc. It was firmer, however, against the Japanese yen, rising to Y242.25 from Y241.10. On Bank of England figures, the dollar's trade-weighted index fell to 85.1 from 85.2.

D-MARK — Very strong but remaining steady within the European Monetary System—Trading was quiet for most of the morning, apart from a brief flurry, which market sources put down to intervention by the Swiss authorities to contain the rise of the dollar against the Swiss franc. The D-mark was firmer against the U.S. unit, with the latter fixed at DM 1.7374 against DM 1.7405 on Tuesday. EMS currencies showed mixed changes against the D-mark, with the French franc rising to DM 42.71 per Fr 100 from DM 42.65, while the Danish krone eased to DM 31.98 per DKr 100 from DM 32.0.

FRENCH FRANC — Strongest member of EMS since December, but challenged recently by Italian lira—Most currencies showed a weaker tendency against the French franc yesterday, apart from the D-mark and the Danish krone. Sterling eased to FFr 9.3865 at the fixing from FFr 9.3940, and the dollar fell to FFr 4.0670 from FFr 4.070.

DANISH KRONE — Basically weak, suffering two devaluations since EMS began last March—The krone was stronger against other European currencies, with the exception of the Belgian franc and the Swiss franc. Sterling and the U.S. dollar were both easier at the fixing at DKr 12.5185 and DKr 542.75 respectively, compared with DKr 12.5290 and DKr 544.35.

ITALIAN LIRA—Recent demand for lira reflected tight conditions in the domestic money market: strongest EMS currency with French franc—Trading was subdued at yesterday's fixing with the lira showing mixed changes against other EMS currencies. The Deutsche Mark fell to L463.52 from L463.58, and the guilder was lower at L420.73 from L420.77.

BELGIAN FRANC — Generally weakest member of EMS, but resists devaluation—The Belgian franc was weaker against the French franc and punt, but improved against other currencies. The dollar eased to BFr 28.19 at the fixing from BFr 28.2475, and sterling was lower at BFr 65.0475 against BFr 65.0675.

JAPANESE YEN—Energy problems reflected in sharp decline last year, but steadier recently — The yen lost ground against the U.S. dollar, despite an estimated $150m of support given by the Bank of Japan. The U.S. unit finished at Y241.90 compared with Y241.175 on Tuesday. Sentiment over the yen was not improved by growing indications that Japan's economy may be heading for a downturn. After opening at Y241.60, the dollar touched a high point of Y242.15 during the afternoon.

THE POUND SPOT AND FORWARD

Feb. 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3035-2.3095	2.3080-2.3090	1.03-0.93c pm	5.09	2.10-2.00 pm	3.55
Canada	2.6755-2.6800	2.6775-2.6785	1.10-1.00c pm	4.70	2.70-2.60 pm	3.96
Nethlnd.	4.40-4.43	4.41-4.42	2⅞-1⅞c pm	6.45	7¼-6¼ pm	6.11
Belgium	64.90-65.25	64.95-65.05	24-14c pm	3.51	55-45 pm	3.08
Denmark	12.50½-12.55½	12.53¼-12.54¼	1-3ore dis	−1.91	5-7 dis	−1.91
Ireland	1.0805-1.0855	1.0810-1.0820	0.03-0.13p dis	−0.89	0.17-0.27dis	−0.81
W. Ger.	3.99-4.02	4.00¾-4.01¾	3⅞-2⅞pf pm	10.11	10-9 pm	9.48
Portugal	108.80-109.50	109.00-109.30	20c pm-30 dis	−0.55	30pm-70dis	−0.73
Spain	152.70-153.15	153.00-153.10	25c pm-25 dis	—	20pm-80dis	−0.78
Italy	1,857-1,861	1,857½-1,858½	2½-½ lire pm	0.97	2½-4½ dis	−0.75
Norway	11.20½-11.24	11.22½-11.23½	7½-5½ore pm	6.94	18½-16½ pm	6.23
France	9.38½-9.40½	9.37½-9.38½	5¼-4¼c pm	6.08	13-12 pm	5.33
Sweden	9.56-9.59	9.57-9.58	3¼-1¾ore pm	3.45	9-7 pm	3.34
Japan	555-562	558-559	4.90-4.60y pm	10.20	12.50-12.20pm	8.84
Austria	28.72-28.82	28.75-28.80	27-17gro pm	9.17	70-60 pm	9.03
Switz.	3.71-3.74	3.72-3.73	5-4c pm	14.50	12½-11½ pm	13.02

Belgian rate is for convertible francs. Financial franc 66.70-66.80. Six-month forward dollar 3.00-2.90c pm. 12-month 4.80-4.70c pm.

THE DOLLAR SPOT AND FORWARD

Feb. 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.3035-2.3095	2.3080-2.3090	1.03-0.93c pm	5.09	2.10-2.00 pm	3.55
Ireland†	2.1270-2.1295	2.1285-2.1295	1.13-1.08c pm	6.23	2.44-2.39 pm	4.54
Canada	1.1611-1.1618	1.1612-1.1615	0.13-0.09c pm	1.14	0.21-0.17 pm	0.65
Nethlnd.	1.9103-1.9150	1.9103-1.9113	0.30-0.20c pm	1.57	1.33-1.23 pm	2.68
Belgium	28.13-28.23	28.13-28.15	2½-4c dis	−1.38	½-2½ dis	−0.21
Denmark	5.4210-5.4335	5.4320-5.4335	3.10-3.60ore dis	−7.40	7.25-7.75dis	−5.52
W. Ger.	1.7335-1.7395	1.7345-1.7355	0.75-0.65pf pm	4.84	2.65-2.55 pm	5.99
Portugal	47.20-47.30	47.23-47.30	18-28c dis	−5.84	38-73 dis	−4.70
Spain	66.27-66.32	66.28-66.32	15-25c dis	−3.62	65-85 dis	−4.52
Italy	805.20-805.60	805.20-805.35	2¼-3 lire dis	−3.91	8½-9½ dis	−4.47
Norway	4.8600-4.8635	4.8600-4.8620	1.00-0.50ore pm	1.85	3.50-3.00 pm	2.67
France	4.0615-4.0680	4.0615-4.0630	0.38-0.28c pm	0.97	2.15-2.05 pm	2.07
Sweden	4.1470-4.1490	4.1470-4.1480	par-0.20ore dis	−0.29	0.20 pm-par	0.10
Japan	241.60-242.25	242.20-242.30	1.45-1.30y pm	6.81	3.55-3.40 pm	6.74
Austria	12.458-12.465	12.458-12.463	4.70-4.10gro pm	4.24	18.50-16.50pm	5.62
Switz.	1.6100-1.6175	1.6125-1.6135	1.20-1.13c pm	8.67	3.85-3.78 pm	9.46

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

Feb. 13	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.571651	0.623638
U.S. $	13	1.31674	1.43655
Canadian $	14	1.52860	1.66525
Austria Sch.	5¼	16.4421	17.9381
Belgian F.	10½	37.1946	40.5718
Danish K.	11	7.16307	7.81124
D'Mark	6	2.29178	2.50036
Guilder	9½	2.52551	2.75430
French Fr.	9½	5.36835	5.85610
Lira	15	1068.88	1158.94
Yen	6¼	317.785	346.783
Norwgn. Kr.	9	6.41384	6.99600
Spanish Pts.	8	87.3518	95.3161
Swedish Kr.	10	5.47026	5.96816
Swiss Fr.	3	2.13103	2.32463

CURRENCY MOVEMENTS

Feb. 13	Bank of England Index	Morgan Guaranty changes %
Sterling	73.0	−33.3
U.S. dollar	85.1	− 2.2
Canadian dollar	81.4	−16.6
Austrian schilling	157.6	+23.9
Belgian franc	116.4	+13.5
Danish kroner	108.2	− 3.5
Deutsche mark	158.0	+48.1
Swiss franc	201.8	+80.3
Guilder	126.4	+20.3
French franc	102.2	− 5.7
Lira	55.2	−49.6
Yen	116.4	+15.4

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Feb. 13	£	$		£ Note Rates
Argentina Peso	3862-3882	1670-1680	Austria	28.55-28.80
Australia Dollar	2.0840-2.0880	0.9036-0.9040	Belgium	66.40-66.90
Brazil Cruzeiro	103.77-104.77	44.95-45.40	Denmark	12.50-12.57
Finland Markka	8.52-8.53	3.6875-3.6995	France	9.38-9.38
Greek Drachma	88.563-90.557*	38.20-38.40	Germany	4.0-4.02½
Hong Kong Dollar	11.22½-11.24½	4.8740-4.8760	Italy	1885-1966
Iran Rial	n/a	n/a	Japan	566-561
Kuwait Dinar(KD)	0.622-0.632	0.2721-0.2726	Netherlands	4.40-4.43
Luxembourg Frc.	64.95-65.05	28.13-28.15	Norway	11.19-11.27
Malaysia Dollar	5.0030-5.0150	2.1700-2.1710	Portugal	104-109
New Zealand Dlr.	2.3455-2.3505	1.0165-1.0175	Spain	161¼-160¼
Saudi Arab. Riyal	7.69-7.79	3.3575-3.3605	Sweden	9.58-9.68
Singapore Dollar	4.9880-4.9700	2.1600-2.1510	Switzerland	3.71½-3.73½
Sth. African Rand	1.8795-1.8810	0.8140-0.8150	United States	2.3045-2.31¼
U.A.E. Dirham	8.67-8.67	3.7400-3.7430	Yugoslavia	40-51½

Rate given for Argentina is free rate. * Indication only.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 13	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.5622	+1.94	+1.43	±1.53
Danish Krone	7.72336	7.81803	+1.23	+0.72	±1.64
German D-Mark	2.48208	2.50053	+0.74	+0.23	±1.125
French Franc	5.84700	5.85363	+0.11	−0.40	±1.3557
Dutch Guilder	2.74362	2.75204	+0.31	−0.20	±1.512
Irish Punt	0.662201	0.676210	+1.20	+0.69	±1.668
Italian Lira	1157.79	1159.28	+0.13	+0.13	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Feb. 13	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.309	4.008	558.5	9.380	3.725	4.415	1858.	2.678	65.00
U.S. Dollar	0.433	1.	1.736	241.9	4.063	1.614	1.918	804.9	1.160	28.16
Deutschemark	0.250	0.576	1.	139.4	2.341	0.930	1.102	463.6	0.668	16.21
Japanese Yen 1,000	1.791	4.133	7.175	1000.	16.79	6.670	7.905	3327.	4.796	116.4
French Franc 10	1.066	2.461	4.272	595.4	10.	3.971	4.707	1981.	2.855	69.30
Swiss Franc	0.268	0.620	1.078	149.9	2.518	1.	1.185	498.8	0.719	17.45
Dutch Guilder	0.227	0.523	0.908	126.5	2.125	0.844	1.	420.8	0.607	14.72
Italian Lira, 1,000	0.538	1.242	2.157	300.6	5.048	2.005	2.376	1000.	1.441	34.98
Canadian Dollar	0.373	0.862	1.496	208.6	3.503	1.391	1.649	693.9	1.	24.27
Belgian Franc 100	1.538	3.552	6.166	859.2	14.43	5.731	6.792	2858.	4.120	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 14.05-14.15 per cent; three-months 14.45-14.55 per cent; six-months 14.50-14.60 per cent; one year 14.30-14.40 per cent.

Feb. 13	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	18-18¼	13¾-14	12⅛-13½	10⅞-11⅛	⅛-⅝	7 1/16-7 3/16	12-12¼	13-16	—	6½-11½
7 days' notice	18-18¼	13⅞-14⅛	12½-13½	11-11¼	⅛-⅝	7¾-7⅞	12-12¼	13¾-15¾	12¼-12⅝	7⅛-8
Month	18⅝-18⅞	13⅞-14⅛	13 1/16-13 7/16	11⅛-11¾	4¼-4⅝	8¼-8 7/16	12-12¼	16½-17½	12⅞-13	7½-8 3/16
Three months	18⅜-18⅝	14¼-14½	13 5/16-13 11/16	11⅝-11⅞	4¾-4⅞	8 5/16-8½	12½-18¾	18-18	14¼-14⅜	8¾-9
Six months	17 13/16-17 15/16	14 5/16-14 7/16	13 5/16-13 13/16	11⅝-11⅞	5-5⅛	8 5/16-8⅝	13-13¼	18¾-19¾	14 5/16-14 7/16	8¾-8 11/16
One year	16⅞-17	14⅜-14⅝	13 5/16-13 13/16	11⅝-11⅞	5-5⅛	8½-8⅝	13¼-13½	20-21	14 5/16-14 7/16	8⅝-9⅛

Long-term Eurodollar two years 13⅝-13⅞ per cent; three years 13¼-13½ per cent; four years 13⅛-13⅜ per cent; five years 13-13¼ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-day's notice. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

European rates firm

European short term interest rates remained firm yesterday, although day-to-day money in Frankfurt eased, while Swiss banks announced reductions in deposit rates. In Amsterdam rates were generally firm in nervous trading, and Paris call money returned to 12⅜ per cent, a rise of ⅛ per cent from Tuesday, and equal to the five-year peak touched on Monday and late in December. On Friday the Bank of France will auction FFr 2.4bn of 12-month Treasury bills. Conditions in the Dutch money market have become increasingly nervous. The current three month banking quota ends next Wednesday. Doubts about the terms of the new quota from the central bank, and expectations of higher rates initially as banks borrow funds to maintain their individual quotas, has increased money market pressure.

In Zurich four major banks, Credit Suisse, Swiss Bank Corporation, Swiss Volksbank, and Union Bank of Switzerland, reduced rates for time deposits by non bank clients from a uniform 5 per cent to 4½ per cent for three to five month deposits, and to 4¾ per cent for deposits from six months to a year. The adjustment, which is the first since January 23, is in line with easier Eurofranc rates, and is the first downward movement since October 1. At that time rates were between 1½ per cent and 2½ per cent, but have since been raised seven times. Market sources doubted whether rates will decline further, since a reduction in dollar and D-mark rates is unlikely.

UK MONEY MARKET

Rates fall

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Short-term interest rates fell sharply in the London money market yesterday following the authorities' injection of £500m by way of sale and repurchase of gilt-edged stock, and a repurchase agreement on eligible bank bills into the next banking month which will add at least another £100m.

With day-to-day credit in short supply once again the authorities gave large assistance by buying a small amount of Treasury bills from the discount houses and banks and a small amount of local authority bills from the banks. The Bank of England also bought a moderate amount of eligible bank bills for resale to the market at a fixed future date, and lent a small sum to two or three houses, overnight at Minimum Lending Rate.

Banks brought forward small surplus balances, and the market was also helped by a moderate excess of government disbursements over revenue payments to the Exchequer, and a small decrease in the note circulation. On the other hand there was a small net take-up of Treasury bills, repayment was made of money lent to the market by the authorities on Monday, and the unwinding of a sale and repurchase agreement of various bills was another adverse factor.

Discount houses paid 17 per cent for secured call loans in the early part, but rates fell sharply to close at 13-14 per cent.

In the interbank market overnight loans touched 19 per cent, and closed at 10 per cent.

Rates in the table below are nominal in some cases.

GOLD

Little change

Gold traded within a very narrow range in the London bullion market yesterday, closing at $693-697, a loss of just $2½ an ounce. The metal opened at $694-$698 and was fixed during the morning at $695.50. The afternoon fix showed a slight rise to $696.75, but for most of the day gold traded within a spread of $691-699.

In Paris the 12½ kilo bar was fixed at FFr 89,500 per kilo ($684.46 per ounce) compared with FFr 89,500 ($684.17) in the morning, and FFr 89,600 ($683.55) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 38,800 per kilo ($694.47 per ounce) against DM39,310 ($702.50) previously.

	February 13		February 12	
Gold Bullion (fine ounce)				
Close	$693-697	(£300¼-302)	$695-700	(£302¼-304½)
Opening	$694-698	(£301-302¾)	$707-712	(£307-309¼)
Morning fixing	$695.50	(£301.474)	$703.75	(£305.531)
Afternoon fixing	$696.75	(£302.081)	$694.50	(£301.760)
Gold Coins				
Krugerrand	$696-701	(£301¼-303¾)	$697-702	(£303-305)
Mapleleaf	$692-702	(£300-305)	$700-710	(£304½-307½)
New Sovereigns	$173½-175½	(£75-76)	$173½-175½	(£75½-76½)
King Sovs.	$181-184	(£78¼-79¾)	$182-185	(£79-81)
Victoria Sovs.	$182-186	(£78¾-80¼)	$183-186	(£79½-82)
French 20s	$157-163		$157½-163½	
50 pesos Mexico	$863-868		$870-880	
100 Cor. Austria	$670-680		$668-678	
$20 Eagles	$795-806		$800-810	
$10 Eagles	—		—	
$5 Eagles	—		—	

MONEY RATES

NEW YORK	
Prime Rate	15¾
Fed. Funds	14½
Treasury Bills (13-week)	12.45
Treasury Bills (26-week)	12.39
GERMANY	
Discount Rate	6
Overnight Rate	8.05
One month	8.575
Three months	8.925
Six months	8.95
FRANCE	
Discount Rate	9.5
Overnight Rate	12.375
One month	12.1875
Three months	12.3725
Six months	12.3125
JAPAN	
Discount Rate	6.25
Call (Unconditional)	8.125
Bills Discount (three-month)	8.625

LONDON MONEY RATES

Feb. 13 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	10-19	—	—	—	17⅛-17¾	13-17	—	—	—
2 days notice	—	—	17¾-18⅜	—	—	—	—	—	—	—
7 days or	—	17⅛-18⅝	17⅞-18⅛	—	18	18	18¾-17	—	—	—
7 days notice	17⅝-17 11/16	17⅝-18 1/16	17¾-18¼	18⅛-18⅛	17⅞	18-18¼	16⅝-16¾	15 15/16-16	17⅝-17¾	18
One month	17⅞-17¼	17⅛-18¼	—	18¾-18¼	17¾	—	16⅝-16⅝	16½	17½	17⅞
Two months	17 7/16-17¼	17⅛-18¼	—	18⅛-17⅞	17⅞	18-18¼	16¼-16½	16⅛-16 5/16	17 7/16-17 7/16	17⅞
Three months	17 1/16-17⅛	17⅛-18 1/16	17⅝-18¼	18⅛-17⅞	17⅞	17¾	—	—	16-16⅛	16⅝
Six months	16 5/16-16⅝	16¾-17⅛	16⅛-17¼	16⅝-16⅝	17⅞	—	—	—	—	—
Nine months	15½-15½	18⅛-17⅞	—	17-16¾	16½	—	—	—	—	—
One Year	16-16¾	15¾-16⅛	16⅞-16½	16¼-16	16⅛	—	—	—	—	—
Two years	—	—	15⅛-16	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. * Long-term local authority mortgage rates nominally three years 15¾-16 per cent; four years 15 11/16-15¾ per cent; five years 15½-15 11/16 per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16⅝ per cent; four-month trade bills 17⅛ per cent.

Approximate selling rates for one-month Treasury bill 15 15/32-15 15/32 per cent; two-months 15 15/32-16 11/32 per cent; three-months 16-16⅛ per cent. Approximate selling rate for one-month bank bills 17⅜ per cent; two-months 17⅛-17¼ per cent; three-months 16⅞-17 1/16 per cent; one-month trade bills 17⅝ per cent; two-months 17⅝ per cent and three-months 17⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17 per cent from February 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.1741 per cent.

LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1976
HARRIS RIFKIN LIMITED
NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of
LEONARD CURTIS & CO.,
situated at
3/4 Bentinck Street,
London W1A 3BA
on Thursday, the 28th day of February, 1980, at 12 o'clock midday, for the purposes mentioned in Sections 294 and 295 of the said Act.
Dated this 6th day of February, 1980.
By Order of the Board,
A. RIFKIN, Director.

THE COMPANIES ACTS 1948 TO 1976
PETER M. DAVISON LIMITED
NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of
LEONARD CURTIS & CO.,
3/4 Bentinck Street,
London W1A 3BA
on Tuesday, the 19th day of February, 1980, at 11.30 o'clock in the forenoon, for the purposes mentioned in Sections 294 and 295 of the said Act.
Dated this 4th day of February, 1980.
By Order of the Board,
P. M. DAVISON, Chairman.

THE COMPANIES ACTS 1948 TO 1976
P. M. DAVISON (EXPORT/IMPORT) LIMITED
NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of
LEONARD CURTIS & CO.,
situated at
3/4 Bentinck Street,
London W1A 3BA
on Tuesday, the 19th day of February, 1980, at 2.30 o'clock in the afternoon, for the purposes mentioned in Sections 294 and 295 of the said Act.
Dated this 4th day of February, 1980.
By Order of the Board,
P. M. DAVISON, Chairman.

THE COMPANIES ACTS 1948 TO 1967
GATSBY LIMITED
NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of
LEONARD CURTIS & CO.,
situated at
3/4 Bentinck Street,
London W1A 3BA
on Thursday, the 28th day of February, 1980, at 3 o'clock in the afternoon, for the purposes mentioned in Sections 294 and 295 of the said Act.
Dated this 6th day of February, 1980.
By Order of the Board,
A. RIFKIN, Director.

THE COMPANIES ACTS 1948 TO 1976
SUSAN GEORGE FASHIONS LIMITED
NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of
LEONARD CURTIS & CO.,
situated at
3/4 Bentinck Street,
London W1A 3BA
on Friday, the 22nd day of February, 1980, at 12 o'clock midday, for the purposes mentioned in Sections 294 and 295 of the said Act.
Dated this 6th day of February, 1980.
By Order of the Board,
J. GEORGIOU, Director.

THE COMPANIES ACTS 1948 TO 1976
P. M. DAVISON (GROUP SERVICES) LIMITED
NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of
LEONARD CURTIS & CO.,
situated at
3/4 Bentinck Street,
London W1A 3BA
on Tuesday, the 19th day of February, 1980, at 2.15 o'clock in the afternoon, for the purposes mentioned in Sections 294 and 295 of the said Act.
Dated this 4th day of February, 1980.
By Order of the Board,
P. M. DAVISON, Chairman.

SUMMONS
Case Number 79-C-1002
United States District Court
For The Eastern District of Wisconsin
First Chicago International Banking Corporation, Plaintiff, vs. Bank Omran, Bank Melli and the Islamic Republic of Iran, Defendants
To the above-named defendants:
You are hereby summoned and required to serve upon Whyte & Hirschboeck S.C., plaintiff's attorneys, whose address is 2100 Marine Plaza, Milwaukee, Wisconsin 53202, an answer to the complaint which is herewith served upon you, within 40 days after the 31st day of January, 1980, exclusive of such date. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.
Signed: RUTH W. LA FAVE.
Clerk of Courts.
First Chicago International Banking Corporation.
Plaintiff
By Robert J. Berdan and
Whyte & Hirschboeck, S.C.,
2100 Marine Plaza,
Milwaukee, WI 53202.

SUMMONS
Case Number 79-C-1010
United States District Court
For The Eastern District of Wisconsin
The First National Bank of Chicago, Plaintiff, vs Agricultural Development Bank of Iran, Bank Omran, Doosan Laboratories Company Limited, Industrial Credit Bank, Industrial and Mining Development Bank of Iran, International Construction Machines, Karun Agro Industry Inc., National Petrochemical Company of Iran, Bank Sederat Iran, The Islamic Republic of Iran, All Political Subdivisions, Agencies and Instrumentalities of the Islamic Republic of Iran, Bank Melli, and Does, 1-100, Defendants.
To the above-named defendants:
You are hereby summoned and required to serve upon Whyte & Hirschboeck S.C., plaintiff's attorneys, whose address is 2100 Marine Plaza, Milwaukee, Wisconsin 53202, an answer to the complaint which is herewith served upon you, within 40 days after the 31st day of January, 1980 exclusive of such date. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.
Signed: RUTH W. LA FAVE.
Clerk of Courts.
The First National Bank of Chicago.
Plaintiff.
By Robert J. Berdan and
Whyte & Hirschboeck, S.C.,
2100 Marine Plaza.
Milwaukee, WI 53202.

THE COMPANIES ACTS 1948 TO 1976
P. M. DAVISON (POWER, ELECTRICAL & NUCLEAR) LIMITED
NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of
LEONARD CURTIS & CO.,
situated at
3/4 Bentinck Street,
London W1A 3BA
on Tuesday, the 19th day of February, 1980, at 12.30 o'clock in the afternoon, for the purposes mentioned in Sections 294 and 295 of the said Act.
Dated this 4th day of February, 1980.
By Order of the Board,
P. M. DAVISON, Chairman.

THE COMPANIES ACTS 1948 TO 1976
P. M. DAVISON (ENGINEERING GROUP) LIMITED
NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of
LEONARD CURTIS & CO.,
3/4 Bentinck Street,
London W1A 3BA
on Tuesday, the 19th day of February, 1980, at 2.00 o'clock in the afternoon, for the purposes mentioned in Sections 294 and 295 of the said Act.
Dated this 4th day of February, 1980.
By Order of the Board,
P. M. DAVISON, Chairman

THE COMPANIES ACTS 1948 TO 1976
P. M. DAVISON (MARINE & OCEANIC) LIMITED
NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of
LEONARD CURTIS & CO.,
3/4 Bentinck Street,
London W1A 3BA
on Tuesday the 19th day of February, 1980 at 11.45 o'clock in the fore-noon for the purposes mentioned in Sections 294 and 295 of the said Act
Dated this 4th day of February, 1980
By Order of the Board,
P. M. DAVISON, Chairman.

THE COMPANIES ACTS 1948 TO 1976
P. M. DAVISON (PROCESS PLANT) LIMITED
NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of
LEONARD CURTIS & CO.,
situated at
3/4 Bentinck Street,
London W1A 3BA
on Tuesday the 19th day of February, 1980, at 12 o'clock midday, for the purposes mentioned in Sections 294 and 295 of the said Act.
Dated this 4th day of February, 1980.
By Order of the Board,
P. M. DAVISON, Chairman.

THE COMPANIES ACTS 1948 TO 1976
P. M. DAVISON (CIVIL) LIMITED
NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of
LEONARD CURTIS & CO.,
situated at
3/4 Bentinck Street,
London W1A 3BA
on Tuesday the 19th day of February, 1980, at 12.15 o'clock in the afternoon, for the purposes mentioned in Sections 294 and 295 of the said Act
Dated this 4th day of February, 1980
By Order of the Board,
P. M. DAVISON, Chairman.

THE COMPANIES ACTS 1948 TO 1976
P. M. DAVISON (MILL PRODUCTS) LIMITED
(Formerly P. M. Davison (Mining & Metallurgy) Limited)
NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of
LEONARD CURTIS & CO.,
situated at
3/4 Bentinck Street,
London W1A 3BA
on Tuesday, the 19th day of February, 1980, at 12.45 o'clock in the afternoon, for the purposes mentioned in Sections 294 and 295 of the said Act.
Dated this 4th day of February, 1980.
By Order of the Board,
P. M. DAVISON, Chairman.

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KEITH DAVID GOODMAN, FCA
of 3/4 Bentinck Street,
London W1A 3BA
the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are by their Solicitors, or personally, to come in and prove their said debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.
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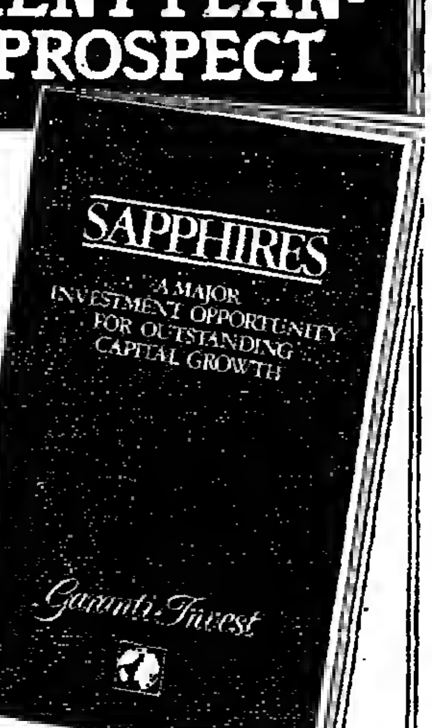

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Early Wall St. upsurge of 11.8

WITH TUESDAY'S late revival of buying interest in Glamour and Blue Chip issues becoming more forceful yesterday morning, Wall Street stocks generally moved ahead in very heavy early dealings.

The Dow Jones Industrial Average, up 9.4 on Tuesday, advanced 11.77 further to a new 1979-80 peak of 910.75 at 1 pm. The NYSE All Common Index climbed 75 cents to a record $68.26, while gains outpaced declines by a two-to-one ratio. Trading Volume swelled to 45.64m shares from Tuesday's 1 pm level of 32.72m.

Analysts said institutional investors, discouraged by the recent Bond market slump, were being further drawn to equities by the gains in stock prices so far this year and by encouraging international news and domestic energy developments.

Recent statements from Iran and the U.S. State Department fuelled speculation about a possible release of the hostages. President Carter was scheduled to hold a news conference last night, but aides discouraged speculation about a breakthrough. News about a Wyoming gas find also aided sentiment.

Among Glamours and Blue Chips, Owens-Illinois rose ¾ to $25½, Procter and Gamble 2¼ to $74½, Xerox 2¼ to $67½, Walt Disney 1¼ to $46½ and Minnesota Mining 1⅞ to $54½.

Volume leader IBM gained 1½ to $70. The Justice Department's head trial lawyer in the IBM anti-trust suit reportedly said the trial is likely to end in the late spring.

Indiana Standard advanced 3⅜ to $111½, Dow Chemical ½ to $38⅞ and Gulf Oil ¾ to $47½, but Union Pacific eased ¼ to $93½. They are partners in the Kewanee Federal Number One well in Wyoming which tested 8.5m cubic feet of gas per day.

Active Baxter Travenol lost 2⅞ to $40¼ after reporting only a small gain in fourth-quarter net earnings. Bancal Tristate receded 2¼ to $38½. The company again denied that it or a major shareholder are in talks to sell either the company or its lead bank.

The AMERICAN SE Market Value Index rose 1.79 to 290.70 at 1 pm. Volume 5.20m shares (3.97m).

Dome Petroleum gained 1⅞ to $64½. It is benefiting from speculation about a major oil find in Southern Alberta, although it has denied the rumours. Adobe Oil rose 1¼ to $54½. An Amax subsidiary bought 600,000 Adobe shares for $16.8m.

Closing prices for North America were not available for this edition.

Canada

Most sectors advanced in active early dealings. The Toronto Composite Index put on 7.0 to 2,124.1 at noon, while Golds rose 45.8 to 3,486.3, Oil and Gas 24.5 to 4,497.1 and Metals and Minerals 7.5 to 2,339.3. In Montreal, Banks added 0.58 at 332.27 and Papers 2.47 at 199.92.

Germany

Buoyed by the overnight Wall Street advance and progress in one of the first West German labour negotiation rounds, Bourse prices generally staged a fresh revival in lively trading after Tuesday's setback. The Commerzbank index, down 12.1 the previous day, picked up 8.6 to 734.5.

Dealers noted that the 6.8 per cent wage increase for 1980 decided during overnight negotiations by a branch of the IG Metall Labour Union was a reasonable rise. The decision was reached by the IG Metall unit of metal workers in North Rhine-Westphalia, normally considered a key model for other unions as the spring round of wage negotiations begins.

Machines and Stores were the most favoured sectors, with KHD rising DM 8 and gains of about DM 6 occurring in Deutsche Babcock and Linde. In the Stores group, Kaufhof advanced DM 11, Karstadt DM 7 and Neckermann DM 5.

Brown Boveri rose DM 7.30 in Electricals and Daimler-Benz DM 7 in Motors.

Public Authority Bonds recorded further falls extending to 80 pfennigs.

Tokyo

Shares finished on a rather mixed note after active dealings, with a number of speculative issues scoring good gains but Petroleums and Trading Houses losing ground on late profit-taking.

The Nikkei-Dow Jones Average gained 7.94 to 6,835.99, but falls on the First Market section narrowly outnumbered advances by 338 to 313. Turnover reached 400m shares, against Tuesday's 340m.

Textiles, Foods, Pharmaceuticals, Chemicals, Electricals and Shippings provided firm sectors, while some Non-ferrous Metals, including Dowa Mining, strengthened in response to a record international copper price.

Toho Rayon rose Y14 to Y314, Kanebo Y10 to Y185, Toyo Brewery Y23 to Y535, Tokuyama Soda Y17 to Y275, Ishihara Industry Y21 to Y447, Kaken Pharmaceutical Y90 to Y1,420, Toyama Chemical Y49 to Y729, Fuji Electric Y9 to Y229, Pioneer Electronic Y40 to Y2,050 and Daiichi Steamship Y10 to Y1,460.

In contrast, Nippon Oil receded Y20 to Y1,910, Teikoku Oil Y10 to Y945, Toa Nenryo Y39 to Y896 and Mitsui Y8 to Y381.

Australia

Profit-taking caused many Resources stocks to lose ground yesterday, following the recent upsurge in prices which reached boom conditions in record trading volume on Tuesday. The Sydney All Ordinaries index receded 10.10 to 924.86 from the previous day's all-time high, while the Metals and Minerals index retreated 123.54 to 6,412.89.

Easier prices overnight in London for gold, silver and tin commodities apparently was taken as an excuse for London profit-taking of Australian shares, and some Australian investors were quick to follow the move. Copper issues also reacted, although the commodity price had reached a new record peak.

Western Mining lost 18 cents to A$5.00, NIM 28 cents to A$6.10, CRA 10 cents to A$6.70 and Bougainville Copper 5 cents to A$4.45.

Utah moved ahead 20 cents to A$5.50 on speculation over its December figures, due after the market closed, but other Coals declined. Coal and Allied reacted A$1.30 to A$11.00, Thiess 56 cents to A$9.74 and Oakbridge 20 cents to A$4.10.

CSR, with coal, oil shale and sugar interests, came back 40 cents to A$7.00 despite a fresh surge in the sugar price, but Bundaberg Sugar climbed 30 cents more to A$10.00.

Hamersley rose 10 cents to A$4.60 on consideration of the new contracts with the Japanese steel mills, but BHP dipped 30 cents to A$13.70.

Hong Kong

Following Tuesday's sharp upthrust, the market closed on a mixed note yesterday, although the Hang Seng index, up 24 points the previous day, improved 3.21 more to a new six-year peak of 937.24.

The further index rise was attributed largely to a good performance by bank shares in anticipation of the annual results due after the Chinese New Year. Otherwise, trading was slightly nervous awaiting the outcome of yesterday's second and third readings of the new rent Bill in the Legislative Council.

Hongkong Bank gained 30 cents to HK$23.00 and Hang Seng Bank HK$1 to HK$138.

Elsewhere, Hong Kong Land lost 20 cents to HK$14.70 and Swire Pacific "A" 10 cents to HK$9.85, but Jardine Matheson put on 10 cents to HK$18.50.

Indices

NEW YORK—DOW JONES

	Feb. 12	Feb. 11	Feb. 8	Feb. 7	Feb. 6	Feb. 5	1979-80 High	1979-80 Low	Since Cmpil'n High	Since Cmpil'n Low
◆ Industr'ls	898.98	889.59	883.73	888.49	881.83	878.62	898.98 (12/2/80)	796.67 (7/11)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	68.84	69.84	69.50	69.79	70.41	70.71	88.18 (13/8)	66.54 (12/2/80)	—	—
Transport	287.25	300.64	305.90	299.08	284.51	284.18	305.90 (8/2/80)	206.78 (27/2)	305.90 (8/2/80)	12.23 (8/7/32)
Utilities	112.90	112.28	111.35	111.28	110.89	110.18	112.92 (12/2/80)	98.24 (24/10)	163.32 (20/4/69)	10.52 (28/4/42)
TradingVol 000's	48,890	58,668	57,860	57,690	51,950	41,908	—	—	—	—

◆Day's high 901.37 low 880.27

	Feb. 8	Feb. 1	Jan. 25	Year ago (approx)
Ind. div. yield %	6.50	6.60	6.40	6.96

STANDARD AND POORS

	Feb. 12	Feb. 11	Feb. 8	Feb. 7	Feb. 6	Feb. 5	1979-80 High	1979-80 Low	Since Cmpil'n High	Since Cmpil'n Low
‡Indust'ls	133.83	132.79	133.78	131.62	130.85	129.59	133.88 (12/2/80)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	117.90	117.12	117.95	116.28	115.72	114.66	117.95 (8/2/80)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Feb. 6	Jan. 30	Jan. 23	Year ago (approx)
Ind. div. yield %	4.22	4.82	4.27	5.15
Ind. P/E Ratio	8.22	8.29	8.14	8.80
Long Gov. Bond Yield	11.88	11.12	10.68	8.93

N.Y.S.E. ALL COMMON

Feb. 12	Feb. 11	Feb. 8	Feb. 7	1979-80 High	1979-80 Low
67.51	67.11	67.57	66.69	67.57 (8/2/80)	53.88 (27/2)

Rises and Falls

	Feb. 12	Feb. 11	Feb. 8
Issues Traded	1,915	1,935	1,917
Rises	767	549	837
Falls	771	1,012	695
Unchanged	407	374	385
New Highs	—	178	184
New Lows	—	83	23

MONTREAL

	Feb. 12	Feb. 11	Feb. 8	Feb. 7	1979-80 High	1979-80 Low
Industrial	384.54	384.66	379.70	373.82	384.66 (11/2/80)	219.19 (1/1)
Combined	356.66	356.06	352.18	346.08	356.06 (11/2/80)	225.88 (2/1)
TORONTO Composite	2117.1	2119.6	2161.1	2052.2	2119.6 (11/2/80)	1315.8 (2/1)

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day
Gulf & Western	741,400	21⅞	+1⅛
Texaco	678,500	32	—
El Paso	535,500	26⅞	−⅛
Dow Chemical	522,400	35⅛	+1⅞
Boeing	406,300	64⅞	+⅞
Gulf Oil	396,100	47	+1
IBM	385,500	69¾	+2
Mobil	381,500	64⅞	+1⅛
Exxon	363,500	66½	+⅞
Kaiser Steel	361,100	37⅞	+4⅞

Overseas indices

	Feb. 13	Feb. 12	Feb. 11	Feb. 8	1972-80 High	1972-80 Low
AUSTRALIA Sydney All Ord. (1/1/80)	924.86	934.96	915.59	898.64	934.96 (12/2/80)	846.72 (2/1/79)
Metals & Minls (1/1/80)	6412.89	6535.43	6342.87	6143.61	6535.43 (12/2/80)	2507.34 (2/1/79)
AUSTRIA Credit Aktien (2/1/62)	83.77	83.64	83.60	83.87	80.48 (7/1/80)	81.38 (2/5)
BELGIUM Belgian SE (31/12/63)	106.19	104.65	105.75	104.65	109.47 (5/10)	98.38 (5/1/79)
DENMARK Copenhagen SE (1/1/73)	81.38	81.39	81.55	81.86	97.48 (26/7)	81.37 (8/2/80)
FRANCE CAC General (29/12/61)	114.8	115.9	118.8	118.30	114.8 (13/2/80)	82.4 (16/2/79)
Ind Tendance (29/12/79)	106.7	108.6	109.3	108.80	109.7 (18/2/80)	95.8 (6/1/80)
GERMANY FAZ-Aktien (31/12/58)	255.59	250.94	254.62	255.62	265.68 (18/1/79)	212.11 (21/1/80)
Commerzbank (Dec. 1953)	734.5	725.9	738.8	738.80	839.58 (16/1/79)	698.5 (21/1/80)
HOLLAND ANP-CBS General (1970)	88.6	88.7	87.8	86.6	94.2 (24/1/79)	81.9 (21/1/80)
ANP-CBS Indust. (1970)	66.1	68.4	67.1	67.2	65.8 (24/1/79)	65.5 (21/1/80)
HONG KONG Hang Seng Bank (31/7/64)	937.24	934.05	909.87	907.79	937.24 (13/2/80)	498.88 (2/1/79)
ITALY Banca Comm. Ital (1972)	81.23	80.96	81.13	82.05	83.05 (4/10)	68.39 (2/1/79)
JAPAN Dow Average (16/5/49)	6835.60	6828.05	(c)	6818.83	6835.99 (13/2/80)	5925.87 (16/3/79)
Tokyo New SE (4/1/68)	471.97	471.98	(c)	471.06	471.21 (15/2/80)	455.15 (13/3/79)
NORWAY Oslo SE (1/1/72)	143.47	141.71	142.70	142.25	143.47 (13/2/80)	74.40 (18/1/79)
SINGAPORE Straits Times (1966)	473.42	470.87	471.67	471.58	474.39 (1/2/80)	340.34 (23/2/79)
SOUTH AFRICA Gold (1958)	(u)	659.6	663.1	654.2	663.1 (11/2/80)	228.40 (17/4/79)
Industrial (1958)	(u)	514.3	512.8	500.6	514.5 (12/2/80)	270.60 (2/1/79)
SPAIN Madrid SE (29/12/78)	100.98	101.91	(c)	100.86	102.22 (18/1/80)	99.81 (18/1/80)
SWEDEN Jacobson & P. (1/1/58)	376.97	381.42	385.89	396.98	401.84 (9/2/79)	381.37 (24/8)
SWITZERLAND Swiss Bank Cp. (31/12/58)	317.4	317.3	317.9	318.40	328.10 (2/5)	294.00 (3/1/79)
WORLD Capital Intl. (1/1/70)	—	142.9	142.5	142.1	142.8 (12/2/80)	122.2 (1/3/79)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

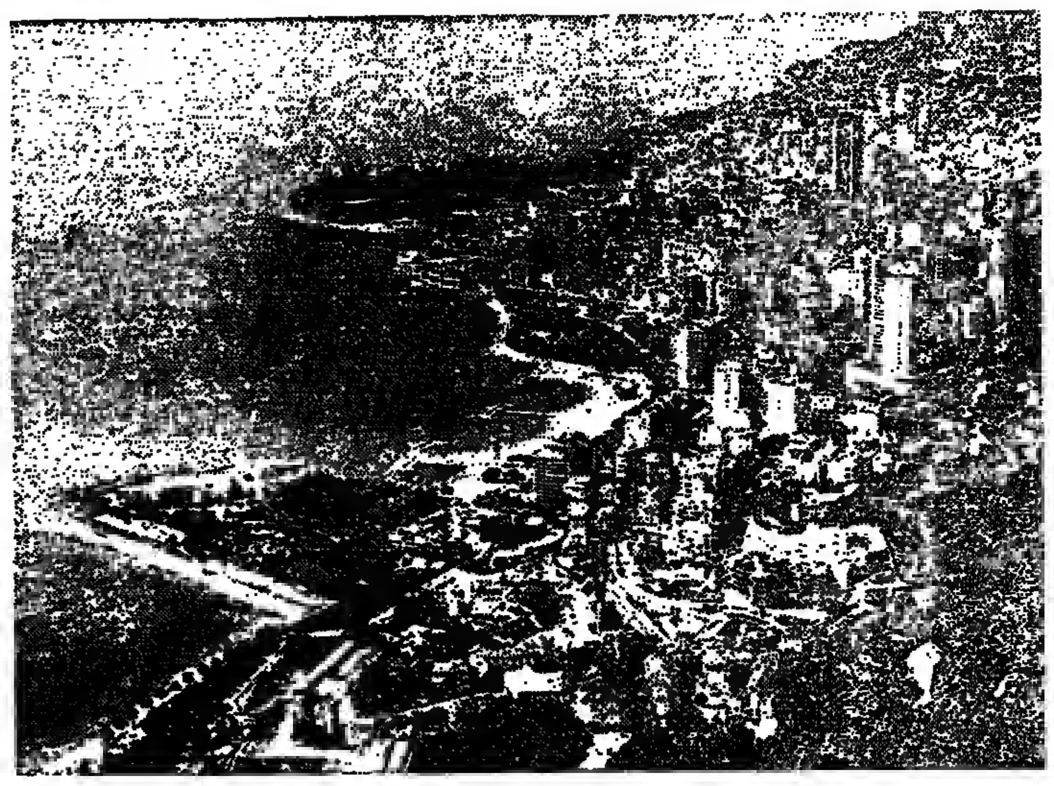
Spanish prices, Page 24

FINANCIAL TIMES SURVEY

Thursday February 14 1980

MONACO

Although Monaco originally made its name as Europe's most exclusive gambling centre, the sovereign principality is now seeing the benefits of modernisation and long-term re-development as a widely-based but superior holiday resort and conference centre.



A subtle change of image

By Robert Mauthner

THERE MUST be very few people in the Western world who have never heard of Monaco, or at least of Monte-Carlo, its glittering heart. It is only a dot on the map, a tiny beauty spot on the cheek of France. Yet, even those who, like the American tourist about to leave on a vacation in Europe, asked whether you had to take a ferry to get to Monaco, know what it is all about.

The publicity that the minuscule principality has had in novels, plays, films and poplar songs, has been incomparable, not to say priceless. And it has all been based on one image: that of a top-hatted archduke, accompanied by a ravishingly beautiful woman, dripping with diamonds, stepping out of their Rolls Royce and about to enter the magnificently baroque and wickedly exciting Casino.

Fleshed out with a few more details such as "The man who broke the bank at Monte Carlo" and tragic suicides in lonely hotel rooms of those who lost their fortunes at the tables, and you have every schoolboy's picture of Monte Carlo. Or, as one author once maliciously described it, "a sunny place for shady people."

Not even the most romantic visitor in 1980 would expect to find that the real article lived up entirely to the myth that has been built up around Monte Carlo. Of course, the place has changed, as have the attitudes of those responsible for its development. It now has a skyline reminiscent of Hong Kong or Rio de Janeiro in miniature, with high-rise buildings dominating what remains of the most spectacularly beautiful sections of the Cote d'Azur.

Modern tourist and conference facilities have been built, land has been reclaimed and artificial beaches have been laid down on a rugged coast-line which offered no natural advantages of this kind, the state-controlled Société Des Bains de Mer's avant-garde Monte Carlo Sporting Club summer complex, with its restaurants, new casino, night clubs and exotic gardens, all built on the reclaimed Carvotto peninsula, is certainly one of the most impressive of its kind in Europe.

New projects

To the east—beyond Monaco's famous Rock in which Prince Rainier's Palace and the Old Town are perched — an ambitious industrial, commercial and property development is being carried out at Fontvieille, on land reclaimed from the sea.

Monaco now has its own football club, which now heads the First French Division. The Principality also has its own radio station, Radio Monte Carlo, though the latter is controlled by the French Government.

Yet, it has miraculously retained much of the old atmosphere, at least around the so-called "Golden Square," which includes the Casino, the Hotel de Paris, the Cafe de Paris and the Hermitage Hotel. It has something to do with both the architecture and the people to be found in Monte Carlo. They are both not quite of this world. The second empire opulence of the Hotel de Paris, the Opera and the Casino takes your breath away, while the people, mostly foreigners, leave the visitor from a West European welfare state with a sense of irritation. Perhaps, it is jealousy.

There are still more Rolls-Royces and other luxury cars to the acre in Monaco than in most other places and it clearly remains a haven for the wealthy foreigner. Indeed, foreigners make up about 21,000 out of a total population of 25,000, outnumbering the native Monégasques by 5 to 1.

While it would be quite untrue to classify all (or even the majority) among the idle rich, there are some indisputable fiscal advantages of residing in the principality, which even the authorities do not deny.

The French, who are the biggest foreign element in the country, have to pay French income tax; American citizens, too, are subject to their own tax regulations. But others, such as the British, of whom there are some 850, pay no income tax whatsoever if they have managed to establish official residence in Monaco. Companies and businesses also benefit from certain tax advantages, which are dealt with in more detail on Page IV of this survey.

While Monaco is not, in the strict sense of the term, a complete tax haven, it has certainly provided a shelter for some of those who have been buffeted by the Arctic winds of their domestic fiscal systems.

The exemption from personal income tax applies not only to the foreign population—French and Americans excepted—but is the general rule. It is one of the startlingly original features of the Monégasque economy that it can do without it and still balance its national budget, as it regularly does—a phenomenon which should bring the world's economists flocking to the principality.

Certainly, Mrs. Margaret Thatcher, the British Prime Minister, should be interested to learn that VAT accounts for about 50 per cent of the national revenues.

The question is often asked whether Monaco is not an anachronism and whether it would not be better for all concerned if it were incorporated into France, to which it is culturally closest and on which it is economically dependent.

The answer is to be found in the principality's long and complicated history, during which it often fell under foreign domination or suzerainty, but always continued its struggle for independence. The present sovereign, Prince Rainier III, is a member of the Grimaldi family, and can trace his ancestry back for seven centuries to two noblemen, who were expelled from Genoa by the Ghibellines, after their victory over the Guelphs.

While Monaco is a sovereign state, with its own diplomatic representatives in other countries, its independence is circumscribed by successive treaties and agreements with France. In particular, the treaty of 1918 between the two countries lays down that, in return for France's undertaking to defend the independence, sovereignty and territorial integrity of Monaco, the principality's Government gives a pledge to exercise its sovereignty "in conformity with French interests."

A guarantee that these interests are respected in practice is provided by the procedure for appointing the Minister of State, or Prime Minister, who must be of French nationality. Though the Prince makes the appointment, he chooses his Minister of State from a list of several names submitted to him by the French Government. Thus, the present incumbent, M. Andre Saint-Mleux, was previously a French career diplomat. It is all done in a friendly way and the French Government no doubt would agree to change its list of candidates if none of them was considered suitable by the Prince.

Tax regulations

Indeed, with the exception of a crisis between France and Monaco, as in the early 1960s, when General de Gaulle succeeded in forcing Monaco to bring its tax regulations into line with those of France, at least as far as French citizens were concerned, it matters little what nationality the Minister of State holds. For Monaco remains an absolute, if benevolent monarchy and the Government, composed of the Minister of State and three counsellors responsible for finance, home affairs, social affairs and public works, also appointed by the Prince, is subject to the final authority of the sovereign.

In the circumstances, it comes as something of a surprise to learn that Monaco has a parliament, or National Council, as it is called locally, consisting of 18 members elected by universal suffrage for five years.

The Parliament, it should be said, has little in common with similar institutions in other Western countries. The constitution specifically states that legislation is initiated by the Prince and that laws represent "a compromise between the wishes of the sovereign and those of the National Council.

The temptation to criticise such an undemocratic system is great. But it is only fair to say that the majority of the population likes it that way. Significantly, all the members of the National Council currently belong to the pro-Government party, which certainly makes it easier for the Prince's Bills to be adopted.

As for the foreign residents, who do not have a vote, they will not permit a bad word to be said about the Prince and his wife, Princess Grace, the former American film star Grace Kelly.

For them, everything is wonderful in the principality, including, particularly, its over-sized police force, which allows bejewelled and mink-clad ladies to walk through the town in the middle of the night without being molested and escorts long-haired hippies to the border.

Security and quality remain the Principality's watchwords and, if boredom sometimes arises in such a perfect environment, one can always hop over the border to France or Italy for a brief encounter with the real world.

Prince Rainier . . . keen to encourage the development of new hotels and tourist facilities along one of the most expensive strips of land in the world.

ON OTHER PAGES

Reclamation eases land shortage

MONACO'S PROPERTY industry. has lived on a virtual conjuring trick for the last two decades. How can a country, surrounded on three sides by mountains, edged in on the other by sea, and already built-up to overflowing point, pack in yet more flats, botels and pleasure palaces? The answer: build out to sea.

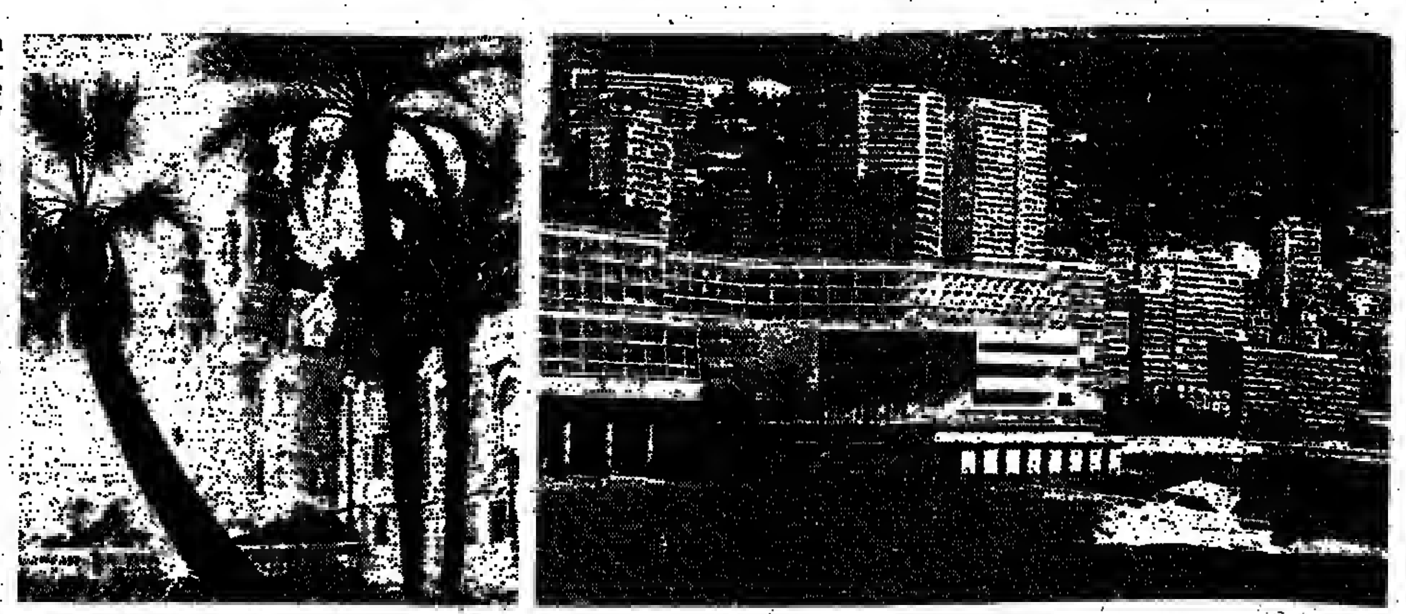
Reclamation has increased Monaco's exiguous territory by about 20 per cent—or some 31 bectares—since work began in 1958. The two main in-filling projects form an essential element in the principality's effort to develop its tourist industry and increase its population of wealthy apartment-owners.

Without the first reclamation, now completed in the east of the principality, Monaco would not have a real sand beach; it would be extremely short of green space and deprived of the Sporting Club entertainments complex which houses, among other facilities, what is claimad to be the biggest sliding roof for a cabaret dance hall in the world.

With the second development, now balf completed to the west of the coastal strip, Monaco will have two yacht harbours, an extensive complex of new apartments, and a new bome for the local Foothall Clnb which now beads the French first division.

The reclamation plan to the east, based on two in-fillings at a point wbere the sea was relatively shallow, was combined with another ambitious development and engineering project. The plan was to obliterate the railway line which ran behind the sea front, and fit it into a tunnel through the mountain at the back of the town wbere it would not waste land. With the area released by the former railway line, tha authorities have been able to build a new road, opening ont the beach to the motor cars which are now tucked away behind the front in two large underground car parks.

The 450-metre front faces an artificial beach created from imported sand which is protected from being washed away by breakwaters. This is bounded at ona end by an artificial peninsula, built by the Sociéte des Bains de Mer, and bousing the so-called Sporting Clnb complex of restaurants, night clubs and gaming room.


Contrasts on Monte Carlo's changing skyline left, the world-famous Casino and, right, the modern Convention Centre and Auditorium, overlooking the Mediterranean

At the other extreme, the development runs into a complex of new buildings below tha Casino, which includes the new Loew's hotel and the State-owned conference centre. This again is an architectural and engineering novelty, standing on stilts pushed out a few metres into the Mediterranean in order to win a little more space and an uninterrupted view out to sea.

The more recent Fontvieille development in the west has still to sprout buildings. But, in engineering terms, it is an even more daring venture than the earlier reclamation. The artificial peninsula is located in between 30 and 40 metres of water based on large prefabricated blocks sunk onto the sea bed. Bebind this barriar, the land has been filled in and allowed to settle over a number of years; it is now considered to be ready for development.

Most of this recent expansion effort falls closely within the Goveroment sphere, partly funded by central funds and clearly controlled by the authorities as part of the tourist development programme. The Goveroment, for example, bas financed the public works programmes, and helped fund the 1,200 new botel rooms by special deals with the boteliers for the land, which is all owned by the State.

Equally the new conference centre was bnilt and is operated by the Goveroment, while the artificial Loretto/peninsula in tbe east was constructed by SBM, a nationalised company, under a special contract with the State.

Througb SBM, the Government bas also given a lead to redevelopment within the older-established area of tbe principality, wbare a pr[illegible] of reconstruction baa been launched to win more bousing space ont of the available terrain.

Away from the sea front, most of this expansion has been upwards. Today, far from looking like a sleepy Mediterranean township, Monaco is sprinkled with skyscrapers and high-rise buildings which might bave been tranaplanted from virtually any 1960s urban development area, and whicb, as an official rightly puts it, give Monaco "a special quality."

Strong opinions

Visually, as might be expected, these developments bave run into strong criticism, both for creating a sky-line quite ont of proportion to the size of the place, and for the way in which bigh rise buildings have been allowed close to the sea front, rather than tucked back against the hillside.

Officials are sensitive to these cbarges, arguing that a great deal of green space has been establisbed to "balance tbe concrete": Monaco fares relatively well with most French cities in comparisons of available open space per inhabitant. But although, in common with the rest of the world, there is now less enthusiasm for skyscrapers, the authorities argue that they still have to win space vertically to cope with the land shortage. Three big excavations close to the centre of the principality underline the continuing support for big building projacts.

Since 1949, the building programme bas delivered 9,500 new apartments in Monaco, compared with 1,200 botel rooms. Many of these properties bave come onto the market in the last decade or so—no new botels were huilt in the principality between 1930 and 1960—and there are still another 2,500 apartments planned, which should be finisbed by about 1986.

Apart from SBM, a range of companies bas been behind these development projects. By far the most important of tbese is a local Monegasque enterprise, Pastor Fils, which is calculated by some experts to bave put up about 20 per cent of Monaco's uew buildings in the last 30 years. Pastor has established an outstanding local reputation as a company which does everything—buying tbe land, financing tbe building, building the property and then running it. Today, the company is said to have such a sound financial base that it never sells a building, and can finance all its own operations without going to tbe normal Investment finance institutions.

Most of the other big project in recent years, however, bave been funded by outside finanee. A great deal of this money bas been channelled through Italian companies, although some French groups, sucb as the Empain-Schneider property subsidiary and Banque Rothschild, hava also been active.

Many of these developments have been mnch more speculative in nature, with buildings put up and then sold off to private individuals. Italian interest is explained both by Monaco's proximity to the Italian border, not far from the beavily industrialised Milan-Turin belt, and to the high number of Italian citizens who bave either bougbt apartments i nthe principality or gone to live there.

According to M. Raoul Boni, the head of the local estate agents' federation, Italians probahly account for about 60 per cent of Monaco's flat ownership today. People buy in Monaco either because of the considerable fiscal advantages given by local residence — the main factor behind the big decline in French ownership was the removal of these taxation privileges in 1963 — or because Monaco is seen as a safe haven for capital.

The biggest category of buyers at present, says M. Boni, are those who buy property to rent out again. But it is notable that few purchasers of this kind come from strong currency countries such as Switzerland where they can find plenty of local investment opportunities and where the value of their money is not likely to fall.

Buying-prices are roughly in line with those of Paris or Cannes — tha latter an area which has been influenced by heavy Arab acquisitions — at (£1,071-£2,143) a square metre, according to its position.

Terry Dodsworth

New projects maintain an up-market image

MONACO USED to be described as "a State within a company," the ubiquitous Sociéte des Bains da Mer, which not only provided the principality with most of its revenues, but owned mucb of its most valuable real estate. If the SBM, as it is familiarly called by all residents and regular visitors to Monaco, does not have quite the overpowering position today, as it once bad, it still makes an immense contribution to the Monégasque economy.

The SBM owns one-tenth of Monaco's territory, including the famous casino, opera, tha luxury Hotel de Paris and the Hermitage, tha Monte Carlo Sporting Club, with its gaming rooms, restaurants and nigbt clubs, the Monte Carlo Conntry Clnb, the Monte Carlo Golf Club and prestigious properties along the beach, comprising botels, restaurants and a modern conference centre.

The SBM's turnover of FFr 471m in the 1978-79 financial year was equal to more than balf the principality's budget; the royalties paid by the company to the State for the right to exploit tha Casino and other facilities, plns the dues on gambling revenues, represented nearly 10 per cent of the national budget.

Stroke of genius

It is no exaggeration to say that Monaco's history over the past 100 years has been fashioned by SBM and that, like it or not, the principality's prosperity has been built up on its gambling facilities. In the middle of the last century, the tiny State consisted of no more than a poor township of 1,200 inhabitants, perched on a rock, which was ignored by the rich foreign tourists (mostly Englisb), who began to frequent what is now called the Cote d'Azur in the winter. It needed a stroke of genius to change Monaco's destiny.

The original idea of making Monaco into a gambling centre, which would attract wealtby foreign visitors away from the fashionable French Mediterranean resorts (where gambling was forbidden) came, appropriately, from the ruling princely family.

After several vain attempts to set the ball rolling, Prince Charles III finally found the right man in 1863 in Francois Blanc, a Frenchman wbo had made the fortunes of the Grand-Duke of Bavaria by creating a casino in Bad Homburg.

Francois Blanc, wbo is still looked upon as a national bero in Monaco, provided the Midas toucb whicb the poverty-stricken principality so badly needed. The prince gave him the concession to exploit for 50 years the "Societe Anonyme des Bains de Mer et du Cercle des Etrangers."

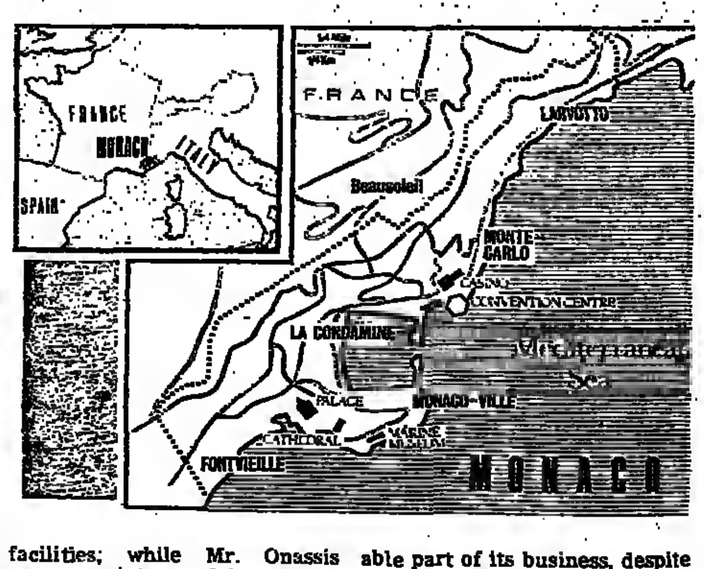
In return for the gaming monopoly, Blanc accepted responsibility for running the public services which sbould normally have beeu administered by the State.

The title of the company was a coy cover for what, in those days, were considered to be somewhat immoral activities, as well as indicating that gambling was open only to foreigners. To this day, Monégasques and employees of the SBM are debarred from gambling.

Within a few years, Monaco was transformed by Blanc's revolution. Not only did be build the most sumptuous casino in tbe world, but be provided its distinguished patrons — including kings, queens, and members of Europe's leading aristocratic families—with a place to rest their weary bones: the Hotel de Paris, which still ranks as a mecca of its kind. To mark the transformation, the burgeoning town was christened Monte Carlo — or Mount Charles — in bonour of its reigning monarch.

Since its *belle epoque* beyday, the SBM's fortunes bave varied and the company took a long time to adapt itself to rapidly-changing economic and social conditions. Two world wars and successive economic crises deprived the principality of its traditional clientele and the search for a new image, tailored to attract less-affluent foreign visitors, provoked a much-publicised clash in the 1960s between Prince Rainier and the late Mr. Aristotle Onassis, the Greek shipowner.

What began as a friendly relationsbip between the two men, progressively turned sour when it became clear that tbe policy of Mr. Onassis, who bad bought a controlling interest in SBM, did not fit in with Prince Rainier's long-term stratagy. The Prince was anxious to invest in new botels and tourist facilities; while Mr. Onassis was more interested in preserving Monte Carlo as a playground for the rich, though be also built a number of profitable luxury apartments and office blocks.



Tbe clash between the palace and Mr. Onassis ended in a victory for Prince Rainier in 1966, when the Monaco Government decided to increase the company's capital hy creating a block of non-transferable shares in its name, thus reducing the Greek shipowner's stake in the SBM to less than one-third.

After losing an appeal in the courts, Mr. Onassis eventually sold his eutire holding to the principality, which now bas a solid 69 per cent interest in the company.

Today, the SBM still finds some difficulty in defining its brand image, whicb falls somewhere between that of the old Monte Carlo and a modern tourist resort, despite all the efforts to underline the latter vocation.

Tbe SBM has gone a long way, in recent years, to achieve the desired blend of quality and popular appeal, but it ramains resolutely up-market.

The company's hotel activities bave progressed by leaps and bounds over the past few years. On a turnover of FFr 104.7m in this sector in financial 1978-79, gross profits jumped by as much as 63 per cent on a year-on-year basis to FFr 4.9m.

The expansion of SBM's hotel operations has gone hand-in-band with a re-organisation of its gambling activities, which remain by far the most profitable part of its business, despite all tbe efforts to diversify. Revenues from gambling rose by nearly 30 per cent last year to more than FFrs. 340m, more than two-thirds of the company'a total turnover.

Little wonder, therefore, that the SBM has made a great effort to attract a much wider clientele to its gaming salons by opening a new room for "American games" in the Temple of Roulette and Chemin de Fer.

Diversification plans include the complete modernisation of the Cafe de Paris, a pole of attraction for visitors and residents because of its location on the beautiful Central Square, bordered by the Casino and the Hotel de Paris.

Another ambitious diversification scheme, aimed at attracting a wider variety of tourists to Monte Carlo is the production of 24 jumbo TV shows in the big auditorium of the Summer Sporting Club, with the participation of world-famous stars.

Under a contract signed with 20th Century Fox Television and Pasetta Overseas, SBM's participation has been fixed at 25 per cent, involving an investment of some FFr 5m.

Not only will it help to extend the Monaco tourist season by abont two months, but the SBM clearly hopes to earu a large amount of money and publicity from sales of the "Monaco Sbow" to the world's major TV networks. If the gamble comes off, the company could well become a producer of TV sbows in its own right.

Robert Mauthner

MONACO III

Superior resort aims to widen its tourist appeal

MONACO BECAME a resort during the grand era of European aristocracy, when the rich invariably went south to the Cote d'Azur (French Riviera) in winter.

However, the development of Monaco (officially, Principauté de Monaco) during this century has been concerned with adapting to a different sort of tourism. Democracy reversed the calendar and changed the clientele, putting the emphasis on the summer season, and bringing a new variety of tourists—prosperous, no doubt, but not as extravagantly rich as the princes and dukes who put the principality on the map as Europe's most exclusive gambling centre—and a reputation far exceeding its size of about 1.9 sq kms.

A section of the Rainier Watersports Stadium

Monaco'a promotional effort in recent yaars has therefore been aimed at adapting to a kind of mass tourism. With wealth more widely spread, the principality has had to cast a broader net, aiming for greater turnover, more visitors, and a better ntilisation of the heavy overheads attached to one of the most expensive strips of land in the world. But at the same time it has sought to maintain its image as a superior resort, specialising in gambling, but also offering other, more democratic attractions.

Fresh impetus

These changes began to gather pace with the accession of Prince Rainier III in 1949 and the subsequent adoption of a wide-ranging development plan. The primary impact of this programme was to increase the number of hotels in Monaco. All of these are in addition to luxury establishments, such as the main hotel, dating from the last century, but they have brought fresh impetus to the industry by increasing competition, and tapping new markets.

Alongside this hotel expansion, the Monaco Government has pumped in money to enhance the principality's limited basic resources as a summer resort: the sun and the sheltered environment have always been there, but no beach; so a beach was built, artificially. There was only limited open space for promenaders; so parks were built, again on reclaimed land. And in an effort to come to terms with the motor car, the railway was torn out of the heart of the seaside area so that new roads could be opened up leading to the front, and underground car parks.

The re-building effort has been accompanied by a subtle change of emphasis in Monaco's image. It no longer wants to be known merely as the cspital of European gambling, although it has been quietly creating new gambling centres, such as the American Room, devoted to American-type games, at the Loews Hotel.

Instead, it is imposing on top of this traditional gaming element the image of a widely-based holiday resort, which finds time to patronise the arts which supports a vigorous musical life, and which stages shows, spectaculars and prestige sporting events, such as the Grand Prix de Monaco and the newly-established tennis tournament.

Some of these elements in Monaco's life go right back to its sudden emergence as a holiday centre in the mid-19th century. The Opera, for example, was built on to the Casino a hundred years ago on the insistence of a music-loving member of the Royal Family. The opera, as well as the Foyer de ls Dance, saw the premieres of most of the works by the famous Ballet Russe de Monte Carlo of Sergey Diaghilev.

The Opera rapidly established itself as the ceotre of a range of artistic attractions, becoming the home of the local symphony orchestra and going through a glittering period at the turn of the century wheo it staged performances by Sarah Bernhardt and ballet by Nijinski.

Nowadays these traditions are being revitalised. The symphony orchestra has been built up into a professional touring and recording group; the Opera sustained (with subsidies from Sociéte des Bains de Mer) for four programmes a year; aod ballet is encouraged on an occasional basis. In addition, an annual music prize has been introduced for new scores which has helped to carry the principality's name to distant corners of the world, even from areas where it cannot expect to win much trade; last year there was an entry from China.

All of this is dependant on heavy State patronage. Monaco devotes some 2.5 per cent of its annual budget to the arts (by contrast, France has never achieved 1 per cent). Underwriting the orchestra, for example, amounts to FFr 10m, or about 80 per cent of its annual costs. But the return appears to be worth it. Virtually every performance in the principality is regularly sold out.

Patronage of the musical arts has also been extended into other spheres during the reign of Prince Rainier. A literature prize for writing in French was created in 1951, another prize for international contemporary art in 1964, and various festivals lannched—for amateur theatre, television, ballet, specialised music and for firework displays.

In the area of natural sciences, Monaco has also endowed prizes for undersea research, and the protection of nature. These awards again revert to s long-estshlished Monaco tradition dating back to Prince Albert I, an amateur scientist of the earlier part of this century who established s Pesce Institute, helped create Interpol and endowed Monaco with its celebrated exotic gardens and its Oceanographic Museum, built in 1910.

The museum continues to draw finance from a foundation established by Albert and this helps to fund Oceanographic Research. It was from here that Jacques Cousteau, the underwater explorer became an international figure and he remains director of the Research Institute which specialises in studies on the effects of radio active waste in the sea.

Extended season

At the same time, the museum's collection of exotic fish has become an immense attraction in its own right. Last year, the museum was the fourth most popular attraction of its kind in France, bringing in 900,000 visitors (compared with 3m at the Eiffel Tower and 1.5m each at the Louvre and Versailles).

State patronage has also played a part in the rapid development of Monaco'a sport in recent years. Again, the basic elements were already there. In motor racing, the Monte Carlo rally dates back to 1911, and the Monaco Grand Prix to 1929. These have been fostered and other events added.

Similarly, the clay tennis courts date back to 1925, but these have now been updated as the venue of one of Europe's main annual tournaments by the nationalised SBM group. SBM, in addition, is considering a similar promotional venture for the golf course it owns.

A variety of other sports have been develnped, often under the direct guidance of Prince Rainier—squash, swimming and water polo, sailing and, of course, football. Monaco's football club has been carefully nurtured by the state, receiving subsidies and eventually entering the French second division in 1948.

Four years later it was promoted to the first division, and in 1961 woo the French chsmpionship. This year it is again at the top of the first division, and will soon move into a new stadium on the Fontvieille development site.

All of these efforts to support the arts, science and sport clearly have a spin-off, deliberate or not, in promoting Monaco's name. The Grand Prix brings in 150,000 visitors, the tennis toornament 30,000, and the festivals attract people to stay or for day trips. Perhaps the most graphic evidence of the impact of these activities lies in the Museum's figures, which show that the number of visitors has risen from 650,000 in 1965 to 900,000 now.

This expansion in tourism has clearly been closely interwoven with the development of the hotel industry. The extra visitors could not have been housed without more hotel rooms—no new hotels were built between 1930 and 1960—and the hotels, in turn, could not have filled their rooms without the development of new attractions.

Big attraction

But the development plans seem to have meshed together neatly. The only quiet months in Monaco now are from November to the end of February, and even then hotel occupancy stays relatively high except for December.

The figures show how effectively Monaco has extended its season. Peak hotel occupancy last year was in September, when overnight stays amounted to 57,700, giving an occupancy rate of 86.8 per cent. This compared with 56,337 (81.2 per cent) overnight stays in August, and a level of well over 50,000 throughout the period from April to October, when occupancy rates never fell below 75 per cent.

Between 1973 and 1978, annual average hotel occupancy rose from 53 per cent to 66 per cent, while the number of visitors — influenced, clearly, by the growth in hotel capacity —rose from 137,000 to 224,000.

In the last decade or so, the hotel expansion programme set in train in 1950 has been completed, adding about 1,200 rooms, of which 660 are in the Loews building near the Casino. Along with the Metropole, owned by Grand Metropolitan Hotels, and the two 19th century SBM buildings — the Hotel de Paris and the Hermitage — Monaco now has a capacity of about 2,500 roms.

The hotel groups themselves have made their own efforts in creating new interests. SBM in particular has invested heavily in the entertainment industry, building the new sporting cloh complex on the reclaimed Larvotto Peninsular to house restaurants, night clubs and dance halls.

The Holiday Inn and Loews have also moved into the conference and business travel sector in a big way. The Loews project raised doubts to begin with: becanse nf tha large capacity of the hotel, but it has achieved an occupancy rate of about 80 per cent regularly since opening five years ago, drawing heavily on the American and some European markets.

Loews' success in tapping a new market has encouraged SBM to give its hotels more freedom to operate as separate entities, rather than appendages to the Casino. This policy has brought the SBM hotels out of a period of unprofitability and raised their occupancy rate to almost 70 per cent.

M. Claude Malatier, SBM's director of marketing, says: "The hotels depended on the Casino before; everything in them was offered to help the Casino. Now they can push themselves."

This, in microcosm, is what has happened to tourism in Monaco in the last 30 years. The Casino, while still the big attraction, is now surrounded by a range of ancillary activities which bring in visitors who may never see a roulette ball during the whole of their stay.

Terry Dodsworth

Plans to boost industrial and business services

CLOSE TO Monaco's yacht harbour are some apparently architecturally undistinguished buildings—but, since they are well-situated, could well be expensive flats. If you look down on them, as you travel up tha rock on which Monaco's old town is built, you can see the greenery of landscaped roof-gardens. It is only when you notice the loading bays at the back that you realise they are industrial premises, as well-disguised as nuclear weapon silos.

Monaco, under the surface of its most obvious aspects—its hotels and property development—has, nevertheless, a certain importance in a surprisingly wide variety of business. As much in an nil crisis as at any nther time, funds keep coming in and, in the opinion of at least one of Monaco's best-established foreign businessmen, the boom is only just beginning.

If the principality's prime vocation is (and will continue tn be) linked to its touristic attractions, there is also a burgeoning activity in banking, insurance and other services, business conferences, research and light industry (due to expand nn the tongue of artificial land nn the other side of the rock).

Monaco has to play on its image to offset its chronic space problams, looking for "qnality" activities prodncing high-valne goods and services, taking np little room and sparing the environment—being located in Monaco is considered to be a privilege.

The amount of private wealth in Monaco explains the dynamism of some sectors. Banks have a thriving activity in deposits. The volume of bank credits, in general terms, makes up only one-third of the deposits received, which are largely personal savings. No figures for these deposits are available.

In an area of less than 500 acres, and for a population of 25,000, there are no fewer than 25 hanks, and some of these have several branches. Foreign banks are present, either directly or through associated Monégasque banks, the representation being spread between French, Italian, British (Lloyd's and Barclays), U.S. and Swiss interests. Conditions for approval ara strict, and it is doubtful if there is much more room in the banking sector.

Although banking secrecy is respected, Monaco does not have numbered accounts and thus affords less protection than Switzerland. It is probably, therefore, no more than a secondary haven for funds. Monaco, although its banking sector is highly active, also has no pretensions as a fully-fledged financial centre. The Government bas, in the past, entertained fleeting thoughts abont a stock market—but no more than that. For one thing, the principality is subject to France's exchange control regulations, which affect for instance, the expatriation of funds.

Art market

In tha past five years, Monaco bas become, ont of the blue, an important art market—since, that is, the arrival of Sotheby Parke Bernet. Several ontstanding auctions have been held by Sotheby's in co-operation with the Sociéte des Bains de Mer, including last year, the Daniel Wildenstein collection of 18th century furniture, which bad heen bonght by the Saudi financier Mr. Akram Ojjeh, and the collection nf jeweller Lonis Cartier, which fetched twice its estimated value. These much-talked-ahont sales threaten to eclipse the Paris auction business, which suffers from heavier taxes.

Other activities which have grown up in Monaco include engineering and research bureaux, insurance snd commodity brokerages and shipping agencies—among the latter, Olympic Maritime, the last remnant of the late Mr. Aristotle Onassis's once-powerful empire in tba principality. Some areas are easier to move intn than others; it is hard, for instance, to break the local circle of legal offices or accountants.

Rigid selection procedures are imposed on companies applying for a Monaco base. In order to avoid a proliferation of phantom companies, the practice is to cancel investment permits if the intentions originally stated bave not been fulfilled after two years. Until recently, there was a vogue in setting up Monaco-based administrative offices for foreign groups, but the Government has become more choosey, anxious to weed out "tin-can companies" and unidentified Panamanian-based interests.

There is little investment from Arab countries and no effort by Monaco to sell its image in that part of the world. The Iranian interests, which bave been growing apace along the coast in Nice and Cannes, have hardly surfaced in Monte Carlo. Government officials admit they are not keen on Iranian investment, regarded as being "not very stable capital."

Monaco has no possibilities for heavy manufacturing industry. The constraints are obvious—shortage of space, accommodation and, more acutely, moderately-priced accommodation, and the need to preserve the environment as a tonrist asset. The emphasis is therefore on small industries, not labour-intensive, producing high added value, and conforming to strict norms on noise and pollntion.

Industrial policy, wbich began in earnest in the 1960s, has concentrated on highly specialised activites such as pharmaceuticals, micro-electronics and plastic trim for motor cars.

A certain amount of industry had been set up before then, hased first on supplying the building trade and then, up to the Monaco-France agreement in 1963, exploiting a very favonrable fiscal situation which meant that a French-owned company only paid tax on the profits it earned in France.

Some traditional industries have held on, such as textiles and fish canning. Tha smell of anchovies sometimes pervades the industrial quarter; textile producers have tended to focus on luxury items.

A Sotheby auction in Monaco.

One of the oldest industries, the Monaco Brewery, which started in the late 19th century, has closed and had its premises bought up by a property developer; tha premises now serve as a warehouse.

Manufacturers

A cluster of small manufacturing companies accounted for 23 per cent of Monaco's total turnover in 1978 of FFr 5.2bn. Industry accounts for a larger share of State budget revenues, since it provides VAT and profit tax, which all companies pay, since none is dependent entirely on the local market. Some 32 per cent of sales go to countries ontside France and can be counted as real exports.

French Investment continues to dominate, but there are also important interests from the U.S. (the biggest company is a light engineering subsidiary of Eaton Corporation); Britain (the Beecham Group controls a beanty products concern); Italy ann Holland.

The land extension at Fontvieille, described in the article on property in this aurvey, will provide a further base for high-technology industries, slotted in behind residential and commercial developments. Some extra space is also being made available in old Fontvieille.

The anthorities favour, above all, electronics, pharmaceuticals and cosmetics. Some companies already in Monaco are to extend on to the new site. But negotiations are also being completed with other foreign interests, whose investment applications have to pass through French, as well as Monégasque, hands. Thera are already more applicants than space.

The advantages of a Monaco plant—low tax, low social charges, the rarity of strikes—have to be set against the extra transport costs (almost all supplies go by road to Nice), high rents (although no higher than in chic districts of other Riviera towns), and high indirect charges. Staff can be found who are ready to commute from Nice or Ventimiglia, bnt there are sometimes problems finding highly-skilled workers. Minimum pay scales are tbe same for all categories of wnrkers as in Nice.

In a more obvious means of cashing in on its quality image, Monaco has joined the front rank of European conference sites with its new Convention Centre, inaugurated in February last year.

Since the building of Monte Carlo as a resort and gaming centre in the 1860s, Monaco's main orientation has been towards tourism and the pleasures of the rich. This seems unlikely to change. Bnt this reputation is also an invaluable asset in helping to bnild a more regular and more obviously dependable economic base.

David White

Sensitivity over tax conditions

IF H. M. BATEMAN, the British cartoonist and chronicler of social gaffes, had lived to be in Monaco in 1980, he might have done a drawing something like this:

A blnshing and dumfounded visitor, notebook in hand, stands amid a gathering of shocked dignitaries, their mouths wide open, hair on end, champagne glasses crashing to the ground, with the ladies looking away in emharrassment. All ahove a caption which does not say, as you might think, "The man who stubbed his Gauloise out on the roulette table" but, worse still, "The man who uttered the words 'tax haven' in Monte Carlo."

The expression is tahoo. There is, after all, direct tax in Monaco, even if most individuals do not pay it. And if the Principality's reputation rests partly on its tax privileges, the Government has an active policy of discouraging publicity about them.

The Government's basic guidance brochure for foreign investors puts these privileges at the bottom of the list of "reasons why companies have chosen to set up in Monte Carlo," but there they are none the less: "No tax on individual income, except for French nationals. Very advantageous tax conditions for companies."

Why, when they list tax advantages as an obvious attraction, are the authorities so sensitive about the subject? There are really two reasans.

The first is that the Prince's Government does not want the unwholesome connotations of what the French call a "fiscal paradise" — redolent of fraud and of tinpot statelets open to scoundrels of all hnes—to ruh off on Monaco, which likes to have only the most respectable guests. The other reason is that the Principality clearly does not want to stir up trouble.

It had trouble ooce, witb France in the early 1960s, when General de Gaulle, enraged by what French companies were getting away with in the Principality, clamped down on tbe border (which runs part of the way down the middle of a street) and forced Monaco into a fairly cramping tax agreement. Almost 17 years afterwards, the blow is still ringing in the Monégasque authorities' ears.

The 1963 agreement made Frenchmen — and Frenchmen alone—subject to income tax in Monaco just as if they had never left France. It also brought in a profit tax for companies, irrespective of nationality.

Tbe 35 per cent profit tax was the first direct tax to be levied in Mnnaco since 1869, when individual, commercial, land and property dues were aholished hy decree. It remains the only direct tax affecting business in the Principality. All companies with commercial activities, including those which are simply there to receive royalties, come under it if 25 per cent or more of their revenues originate outside Monaco itself.

This 25 per cent clause makes it something of a curiosity among tax laws these days. In Monaco, only exporters get hit.

Companies—and there are a number—which have set up administrative offices in Monaco to run their regional interests, with no profit account of their own, pay at the 35 per cent rate on the basis of 8 per cent nf their overheads, which works out at 2.8 per cent.

This tax level remains advantageous compared, for instance, with Britain, or for that matter with France, where corporation tax is 50 per cent.

Allowances

The 1963 treaty included a vague provision for the level to be increased at a later date to 40 per cent. This provision has been quietly forgotten. Monégasque officials say the current rate is higher than it looks, since there are relatively few allowances for setting against tax.

But the company in Monaco has a further advantage over the company in France in that there is no "professional tax"—the payroll-and-plant levy which is the bugbear of French companies and the lifeblood of local governments.

Indirect taxes, on the other baod, fall into line with France's. VAT, at the same basic rate of 17.6 per cent, is levied on all goods circulating in Monaco and France. In this sphere, as in a number of others, the Monaco Government has its hands tied, and the Principality is treated to all iotents and purposes as part of France.

When the French changed their tax regulations on banks, Monaco had to follow suit. The director of the Monaco fiscal service is a French Government appointee, in the same way as the customs and excisa are French (a small percentage of the revenue being given to the Monaco Treasury); as exchange regulations are under the Bank of France; as investment and residence permits have to pass through French hands; and as the French authorities have pre-emptive rights on French art treasures sold in Monaco.

The one sphere in which Monaco has managed really to maintain its novelty is income tax, or rather, unless one is unfortunate enough to be French, the lack of it. In this sense, Monaco is indisputably a tax haven, favoured essentially by Europeans (Americans are caught in tha ubiqnitous U.S. tax net) and fashionable among sportsmen. Bjorn Borg has a sports shop in Monte Carlo and trains regularly on its tennis courts. Jody Scheckter, the racing driver, lives almost next door and rubs shoulders with fellow driver Clay Regazzoni.

To come under the Monégasque tax system one has to furnisb proof of effective residence—that is, six months of the year in the Principality. The thousands wbn travel in every day from outside, including Italian workers, are of course liable to taxes where they live. But since bank accounts in Monaco are in normal circumstances undisclosed, loopholes donbtless exist.

Even the French retain a few advantages in Monaco. Those who have been there for a number of years qualify for Monégasque inheritance tax, which for direct heirs is nil. The Principality also has an advantage for people in Franc Zone African countries, who can send funds there without problem into accounts which earn tax-free interest.

Despite the profit tax, it is still possible to set np in business in Monaco—a shop or a craft business for instance—and not pay tax, as long as the sales are made on the spot. There is also no capital gains tax on property transactions.

Could Monaco not enforce a more orthodox tax system without risking a mass exodus? Undoubtedly it conld. But the alarmingly simple answer is that it does not need more tax revenue.

The revenne side of Monaco's budget is projected at FFr 730m for this year—$180m. Of this, VAT accounts for about half. Another 20 per cent is made np by various dues, from tobacco sales, from the radio and television stations, from Société des Bains de Mer (5 to 6 per cent of the total), from gambling (3 per cent), from postage stamps. And profit and inheritance taxes help provide the remainder.

It is a small budget, but then Monaco has no farmers to support, no regions, no pressing social problems; it uses other people's airports, motorways, postal services and electricity. Two-thirds of bndget expenditure are running costs—principally the police, education and health. The rest is earmarked for investment.

There will be an extra burden for administrative and sports facilities on the Fontvieille reclaimed land development, but the Government intends to finance this from its reserves.

The budget is due to show a small surplus this year — FFr 50m — as usual. France, with a deficit 50 times the size of Monaco's total budget, can only look on with envy.

David White

Brussels bid to eliminate sugar export subsidies

BY OUR COMMODITIES STAFF

THE EEC Commission yesterday slashed the export subsidy paid on sugar shipped outside the Community. At its weekly export tender it set a maximum export rebate of 1.478 European currency units (ECUs) per 100 kilos compared with 11.978 last week and over 30 ECUs earlier in the season. The Commission this week reduced the standing rebate granted on sugar exports from 5 ECUs to zero, and is believed to have also suspended the granting of subsidies at future weekly tenders.

The move results from the sudden upsurge in world sugar prices which has wiped out the difference between EEC and world prices thereby eliminating the need for subsidies to make EEC sugar competitive on the export market.

If the world market price rise continues, a Commission spokesman said, not only will the subsidy disappear altogether but it may become necessary to impose a levy on exports. Last year the Community paid out an estimated £475m in rebates on sugar exports—7 per cent of all farm spending.

Rebates have already been granted on 1.3m tonnes out of the 2.5m tonnes of EEC sugar available for export at the start of the 1979/80 campaign.

World sugar prices continued to rise in early trading yesterday. But the rise faltered after the May position on the London futures market had reached £314.50 a tonne, and by the end of the day the price was only slightly above Tuesday's closing level. However, the London daily price for new sugar was lifted by £18 to £280 a tonne.

Dealers said confirmation that the International Sugar Organisation had decided to release 837,000 tonnes of sugar from its reserve stock with effect from today had little impact on market sentiment.

The release was triggered by the rise of the ISO 15-day average price above 19 cents a pound. But the release only went through after producers failed in a determined attempt to get the rule set aside. With the average price already above 25 cents a pound the rest of the 2m tonnes reserve stock is likely to be released by the end of this month.

EEC cutback plan in jeopardy

BY MARGARET VAN HATTEM IN BRUSSELS

THE RECENT sharp rises in the world sugar price could jeopardise the EEC Commission plans to cut back Community production quotas as part of a wider attack on EEC farm surpluses.

However, the Commission fears that the powerful EEC sugar lobby, and the French and Belgian Governments in particular, will take advantage of the world market situation to press for higher sugar prices and to fight the proposed quota cuts.

Officials yesterday played down rising prices, as "temporary and purely speculative," pointing out that the Community still has an exportable surplus of 2.5m tonnes, of which only 1.3m tonnes so far is committed under sales contracts.

Sugar and dairy products constitute the Community's two main structural surpluses, and together consume more than half the annual EEC budget. Because of strains produced by farm spending, the Community is expected to run out of money before the end of the year. The Commission's attempts to limit milk and sugar production were aborted in the Council of Farm Ministers last year. Similar proposals, presented for this year's farm-price review, are expected to meet tough opposition

U.S. pledge on grain shipments

WASHINGTON—The U.S. has promised eastern bloc countries dependent on Soviet grain imports it will compensate them for grain shipments withheld by the Soviets because of the U.S. embargo, Agriculture Secretary Bob Bergland said.

He told a Washington agricultural group: "We think it would make no sense to deny access to markets to, for example, East Germany because it lies in the Soviet orbit."

Mr. Bergland named East Germany and Poland as countries the U.S. promised to help, saying that although the U.S. asked Poland not to tranship grain to the Soviets, the U.S. "expects some leaks."

However, the U.S. expects the leaks to be minor and have little effect on the embargo.

Meanwhile, the USDA is considering four ways to deal with the contracts it will be assuming from the exporters on grain embargoed for shipment to the USSR.

Officials said the first approach would be to retender the grain back into the market for sale overseas if prices are above the level on January 4, when the embargo was announced.

The next approach would be to pay a premium to the exporter to roll forward the contract and delay delivery until later this year.

Third, USDA could assume the grain at export locations and then switch it for corn or wheat at country elevators.

Last, USDA's Commodity Credit Corporation could take over physical possession of the embargoed grain, they said.

Three grain export firms have already agreed to the USDA offers to assume the contracts, and other acceptances are expected soon.

U.S. satellite photographs of Soviet winter grain-growing regions show some areas vulnerable to damage due to lack of snow cover, an USDA official claimed.

Winter weather in the Soviet Union so far has been mild, leaving exposed crops that could be harmed by a severe freeze, James Murphy, Director of the Agriculture Department's Crop Assessment Division, said.

He warned that 5 to 8 per cent of Soviet winter crops might be lost due to a lack of snow needed to protect plants from cold weather.

Cocoa prices up sharply

By John Edwards, Commodities Editor

COCOA trading sprang to life on the London futures market yesterday with prices in some positions advancing the permissible limit up and reaching the highest point since December. The May position closed £41.5 up at £1,513 a tonne after reaching a high point of £1,522.

Dealers were somewhat at a loss to explain the sudden upsurge. There were rumours that producing countries had decided to stop selling completely before the meeting of the Cocoa Producers Alliance.

But traders generally attributed the rise to speculative buying encouraged by the strong rise in sugar and rubber prices.

The upward move was then accelerated by prices breaking through a significant chart point, which brought in further buying interest. However it was noted that producers might be encouraged to start selling again if prices continue to rise and there were reports that the Cameroons was in the market, although offerings were well taken up.

Rubber hits new peaks

NATURAL RUBBER prices rose to all-time peaks on the London physical market yesterday with the RSS No. 1 spot position gaining 2p to 90p a kilo.

The rise reflected another sharp rise overnight in the far east market. Dealers said this reflected buying ahead of this weekend's market closures in Singapore and Malaysia for the Chinese New Year. They also said that given current political tension and inflation rubber appeared to be undervalued compared with other commodities.

U.S. phosphate ban call

Washington, 74 members of Congress called on President Carter to halt shipment of 1m tonnes of phosphate fertiliser to the Soviet Union until Soviet troops are withdrawn from Afghanistan.
Reuter

WORLD COTTON

Good crops, high prices

BY DAVID LASCELLES IN NEW YORK

ON THE FACE of it, the cotton market has ceased to make sense. With world production exceptionally high, and experts predicting a record crop for 1980, one might have expected prices to be slack or steady at best. But the opposite is true.

On the U.S. futures market, which sets the world prices, values have risen steadily for the last three months, and have been particularly strong this month.

Prices on the New York Cotton Exchange had risen 25 cents since early autumn before conditions eased off slightly this week. But cotton is still close to 90 cents a pound on the New York Exchange.

Traders acknowledge the apparent contradiction. But they say that there are plenty of explanations for what is going on.

First, supply is nothing like as good as the figures suggest. Although the U.S. and the Soviet Union, the world's major producers, had good crops last year, virtually the entire world output has already been sold. In addition, demand has started eating into the so-called "carry over" from the previous year.

Ernest Simon, cotton specialist at Bache Halsey Stuart Shields, the Wall Street brokerage firm, comments bluntly: "The supply side is extremely tight."

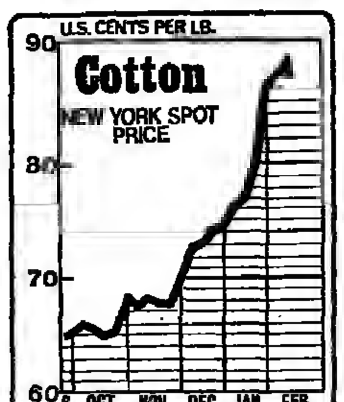
Adding to uncertainties is the scarcity of information about production in China, another major producer, and the fact that the Soviet Union appears to be curtailing exports outside the Communist bloc, either because it needs the cotton itself or because it has decided to stockpile.

Exceptionally strong overseas demand for U.S. cotton will boost exports to 8m bales in the current 1979/80 crop year, according to the U.S. agriculture department. This is 500,000 bales above last month's forecast and 1.8m bales up on last season's exports. Continuing strong demand from Asia and Europe, lagging exports from the USSR and an improved U.S. transport outlook are expected to contribute to higher exports.

The Russians are reported to have made a special effort to improve cotton production in the last 10 years. But their consumption is also soaring as they strive to replace or at least check use of oil-based polyesters in the face of their looming oil supply problems.

The latest run-up in the cotton price can be traced back to last October, a time when the market was still bearish in the wake of an excellent 1978-1979 crop. Around that time, China suddenly slapped in an order for 2m bales in the space of eight weeks. This was so much more than the half million bales it usually bought that, in the words of one dealer, "the whole situation changed."

The Chinese purchases came against the background of growing demand from Europe and the Far East, spurred by a number of factors. One is the growing popularity of cotton-based fashions: denims, corduroy and velours. Another is the influence of polyesters whose price is being pushed steadily higher by the soaring cost of oil.



The market has a theory that people buy better clothes at a time of economic recession, and that this has spurred demand for natural fibres. However, many market economists dismiss this argument, saying that demand is strong because the world economy is still strong.

Whatever the truth, analysts agree that the main source of new demand is not the U.S. (where price controls on oil have kept polyesters cheap), but from the Far East and Europe. The U.S. Department of Agriculture, for instance, predicts that most of its estimated 1.4m bale increase in demand this year will come from abroad.

Market analysts also believe that both the Far East and Europe have still to buy a lot of cotton before the current crop year ends on July 31.

Overlying these "fundamentals" are a number of technical factors which have helped the market on its giddy rise. One is speculative spill-over from the metals markets where soaring prices and trading restrictions have driven out all but the wealthiest traders. It takes only $2,500 to speculate on a single cotton futures contract, against $75,000 for silver.

The market also got a boost from a new year feature in the Wall Street Journal which singled out cotton as one of the best prospects for 1980.

Speculative fever in cotton has also created technical complications in a number of contracts, notably March where there are rumours that the open interest (outstanding positions) could exceed the amount of cotton available for delivery. If this happens, there would be a squeeze on the market which would drive prices even higher. However, it is still too early to assess this danger, and traders say the situation will not become fully clear until February 25, the first day that deliveries are made or accepted on the March contract.

Although reports and rumours will continue to tug the market in the coming weeks, the next landmark date is April 17 when the U.S. Department of Agriculture announces U.S. farmers' planting intentions. In January, the USDA predicted an acreage of 14m, about the same as last year, but officials there say the recent run-up in the cotton price will probably push this figure up too.

Call for UK to quit EEC

A CALL for Britain to turn her back on the "Brussels blunderbuss" was made yesterday at the National Farmers' Union annual meeting in London. Several delegates felt Britain should quit the EEC and "paddle its own canoe."

One big source of annoyance is the EEC lamb war. "There is a groundswell of discontent about the situation in the Common Market. It is time we got out and turned our backs on the corruption, distortion and deceit of the EEC and the Brussels blunderbuss," a delegate said.

But NFU president Mr. Richard Butler said it was imperative that Britain stayed in the EEC and not only in the interests of world peace and maintaining the balance of power.

"I don't think we would be in any easier a position if we were out and relying on our own governments for financial aid," he added.

Another delegate felt the Common Agricultural Policy was "a complete jungle and shambles." He said, "We have got nothing out of it, we have only put into it. Nothing is coming out of it for us.

"We should come out now and paddle our own canoe."

Mr. Joe Raine, chairman of the NFU's livestock committee, said sheep meat producers were in a difficult position, especially because of France's illegal ban on UK imports.

Milk deliveries under threat

DOORSTEP deliveries of the daily pint of milk are under threat because of soaring inflation and rising fuel costs, farmers warned. They demanded a ban on all New Zealand imports of butter and a further increase in the retail price of milk.

At the NFU annual meeting farmers warned there would be a serious drop in the size of the dairy herd in the next two or three years because of present difficulties

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Lower on the London Metal Exchange. Forward metal opened at £1,380 and moved up to touch £1,391 in the morning rings on fresh speculative buying. This level attracted a fair amount of trade selling, however, with the price dipping to £1,367 on the morning Kerb. In the afternoon, three months metal rose afresh to £1,380, influenced by the opening on Comex, but failed to hold this level as renewed profit-taking left the price at £1,360 on the late Kerb. Turnover: 28,700 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,368, 67, 66, 67; three months £1,378, 76, 73, 75, 76, 77, 78, 76, 75, 73, 71. Cathodes: Cash £1,305, 9. Kerb: Wirebars: Three months £1,366, 67, 68, 69, 70, 71, 72, 73, 74, 72, 70, 69.5, 69. Afternoon: Wirebars: Three months £1,381, 80, 79, 78, 79, 80, 79, 79, 80, 79, 70, 71, 72, 71, 70, 69. Cathodes: Cash £1,299; three months £1,330, 28. Kerb: Wirebars: Three months £1,368, 67, 68, 69, 70, 69, 66, 69, 70, 68, 66, 65, 64, 61, 60, 57, 58, 59, 60, 61.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1366-7	+18.5	1358-60	-13
3 months	1370-8	+17.5	1569-70	-7
Settlem't	1367	+19	—	......
Cathodes				
Cash	1305-6	+18.5	1896-9	-19
3 months	1335-7	+19	1326-8	-18.5
Settlem't	1306	+18	—	......
U.S. Prod	—	......	*136-46	......

TIN—Easier in quiet trading. After an initial lift to £7,440 forward metal came under pressure from hedge selling and U.S. selling which pared the price to £7,400 before a close on the late Kerb of £7,415. Turnover: 1,195 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7340-50	+25	7290-300	-50
3 months	7410-25	+7.5	7406-20	-12
Settlem't	7350	+25	—	.....
Standard				
Cash	7340-50	+25	7290-300	-30
3 months	7410-5	+7.5	7405-10	-8.5
Settlem't	7350	+25	—	.....
Straits E.	$2191	+1		.....
NewYork	—	.....		.....

Morning: Standard: Cash £7,350, 40, 60, 50; three months £7,430, 20, 10, 15. Kerb: Standard: Three months £7,410. Afternoon: Standard: Cash £7,310, 7,300; three months £7,410, 7,400, 10. Kerb: Standard: Three months £7,415, 20.

LEAD—Lower. Forward metal held steady in the region of £394-7 for most of the morning but subsequently came under pressure in the afternoon as the downturn in copper prompted light selling of lead which ended the late Kerb at £488. Turnover: 9,400 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	514-5	+8.5	507-10	-10.5
3 months	494-5	+9	491.5-9	-5.75
S'ment	515	+9	—	.....
U.S. Spot	—	.....	*50	.....

Morning: Cash £515; three months £495, 96, 95, 94, 93, 90, 91, 92, 94, 95. Kerb: Three months £494, 93. Afternoon: Cash £510 three months £496, 95, 94, 93, 92. Kerb: Three months £493, 90, 89, 88, 87.5, 87, 88, 87.

ZINC—Moved ahead on further consideration of the recent producer price rises. Forward metal rose to £400 on the pre-market owing to fresh buying but dipped to around £393 in the morning rings following profit-taking. In the afternoon renewed buying demand pushed the price ahead to £405 at one point, but trade hedge selling was apparent over the £400 level and this subsequently caused a reaction to £396 on the late Kerb. Turnover: 11,975 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	882-4	+4	393-3	+11.5
3 months	392-3	+2.25	404-.5	+11.5
S'ment	384	+4	—	.....
Primw'ts	—	......	*57.5	-53.5

Morning: Three months £398, 99, 400, 399, 99.5, 400, 398, 97, 96, 94, 93. Kerb: Three months £395, 96, 95. Afternoon: Three months £398, 99, 99.5, 400, 02, 03, 02, 400, 400.5, 399, 400.5, 01.5, 02, 03, 04. Kerb: Three months £402, 01, 400, 398, 97, 96.

ALUMINIUM—Easier with the market tending to follow the trend in copper. Forward metal opened around £960 and moved up to £968 in the rings before profit-taking pared the price to £951 in the afternoon. However, good trade buying was reported around this level and the price picked up to close the late Kerb at £953. Turnover: 9,950 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	955-5	+10	944-6	-11
5 months	959-60	+0.5	954-5	-9

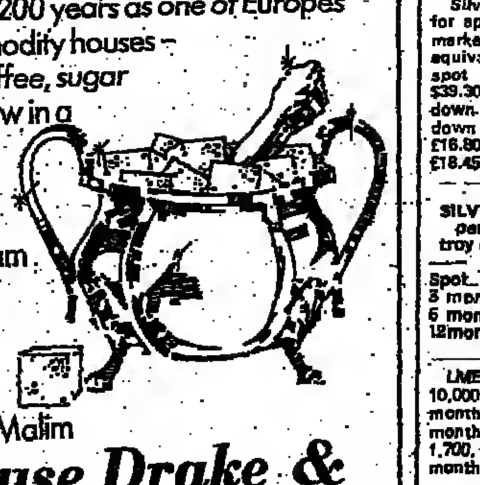
Morning: Cash £958; three months £964, 65, 66, 65, 64, 60, 59. Kerb: Three months £959. Afternoon: Three months £961, 59, 58, 58, 54. Kerb: Three months £952, 53, 54, 53, 52, 53.

NICKEL—Marginally easier in quiet trading with forward metal finally quoted at £3,175 on the late Kerb. Turnover: 276 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	3065-75	+17.5	3060-80	-7.5
3 months	3175-80	+20	3170-80	-15

Morning: Three months £3,185, 80, 70, 75. Afternoon: Three months £3,190, 95, 90, 70, 80.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.



SILVER

Silver was fixed 31.7p an ounce lower for spot delivery in the London bullion market yesterday at £16.83. U.S. cent equivalents of the fixing levels were: spot $38.88, down 63c; three month $39.307, down 58.3c; six-month $39.265, down 55.8c; and 12-month $39.703, down 34.5c. The metal opened at £16.80-17.15 ($38¼-39½) and closed at £18.45-18.80 ($38-38¾).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	1683.0p	-31.7	1656.0p	-27.5
3 months	1718.5p	-28.7	1683.5p	-34
6 months	1725.3p	-27.7	—	
12months	1753.5p	-21.7	—	......

LME—Turnover 172 (100) lots of 10,000 ozs. Morning: Cash 1,690, three months 1,730, 25, 15. Kerbs: Three months 1,720. Afternoon: Three months 1,700, 1,695, 70, 80. Kerbs: Three months 1,685.

COCOA

Although unchanged at the opening futures rallied strongly on commission house buying and moved quickly through limit-up before light profit taking pared some of the gains. Consumers remained on the sidelines but producers took advantage of the higher levels and were active in the market today, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
March	1500-02	+32.0	1550-468
May	1513-14	+41.5	1522-472
July	1521-28	+45.5	1530-476
Sep	1536-39	+46.5	1538-488
Dec	1568-70	+46.5	1568-20
March	1588-93	+43.0	1573-45
May	1599-600	+50.0	1602-00

Sales: 5,851 (1,511) lots of 10 tonnes.

COFFEE

Robustas opened slightly easier but prices were well supported on a scale down basis as the market maintained a steady tone, reports Drexel Burnham Lambert. In the afternoon prices weakened under further commission house selling and the July position recorded a new contract low before recovering on some late trade buying and producer participation, reports C. Czarnikow.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1452-63	-1.5	1464-50
May	1491-93	-1.5	1494-78
July	1514-15	-2.0	1517-1499
Sept	1539-40	+4.0	1544-25
Nov	1558-42	+3.0	1532-25
January	1520-34	-0.5	—
March	1500-45	-5.0	—

Sales: 4,990 (2,437) lots of 5 tonnes.

ICS Indicator prices for Feb. 12 (cents per pound). Other Mild Arabicas 181.00 (same). Robustas ICA 1978 159.00 (same). ICA 1968 159.25 (same). Unwashed Arabicas 185.00 (same). Comp. daily ICA 1968 171.42 (same).

GRAINS

LONDON GRAIN FUTURES—The market opened 25p up on old crops but eased gradually, to close 25-30p lower on wheat and 15-20p lower on barley. New crops saw good buying interest in November-January barley and values closed steady 10-15p higher, with September under slightly more pressure closing 5p down. Wheat saw less trade and closed 5p lower on September, reports Acli.

WHEAT		BARLEY	
Mnth	Yest'rdays close	+ or —	Yest'rday close	+ or —

Mnth	WHEAT Yest'rdays close	+ or —	BARLEY Yest'rday close	+ or —
Mar.	98.90	-0.30	95.90	-0.15
May	102.70	-0.25	100.25	-0.20
Sept	88.50	+0.05	95.63	-0.05
Nov.	100.10	+0.05	97.55	+0.10
Jan.	105.75	+0.10	100.15	+0.20

Business done—Wheat: March 98.70-98.20, May 103.25-102.79, Sept. 96.65-96.50, Nov. 100.15-100.10, Jan. 103.75-103.70. Sales: 289 lots of 100 tonnes. Barley: March 98.25-96.00, May 100.70-100.25, Sept. 93.70-93.65, Nov. 97.55-97.50, Jan. 101.10-101.10. Sales: 338 lots of 100 tonnes.

IMPORTED—Wheat: U.S. Dark Northern Spring No. 2 14 per cent Feb. 98.25, March 98.25 transhipment east coast. U.S. Hard Winter 13½ per cent Feb. 94.50, March 99.50 transhipment east coast. Maize: U.S./French Feb. 116.50, March 117 transhipment east coast. Barley: English Feed fob Feb. 100, March 102, April 104, April/June 105.25 east coast sellers. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 95.00, E. Midlands 94.80, N. East 94.80, Scotland 94.50. Other milling wheat: N. East 98.20.

The UK Monetary Coefficient for the week beginning Monday, February 18, is expected to decrease to 1.037.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 44 tonnes, bringing the total for the week so far to 145 tonnes. Slow trading continued with not more than occasional transactions. Most of the attention was centred on North American growths but some orders were placed in specialist Middle Eastern and African supplies.

RUBBER

The London physical market opened steadier, trading was erratic throughout the day, and closed on an uncertain note. Lewis and Peat reported a Malaysian godown price of 405 (390) cents a kg (buyer, March).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
Mar.	89.00-91.00	89.00-89.50	82.25-90.25
Apr.	87.00-93.00	82.00-92.70	—
Apr.-Jne	96.00-96.50	94.10-94.20	97.50-95.00
Jly.-Sept	99.25-99.45	97.05-97.15	100.70-97.00
Oct-Dec	101.5-101.7	99.60-99.70	103.70-99.50
Jan-Mar	103.5-103.5	101.50-01.60	105.85-104.0
Apr-Jne	106.0-106.2	102.50-05.25	107.50-106.4
Jly.-Sept	106.0-106.8	104.60-04.75	108.00-106.0
Oct-Dec	108.5-105.5	106.80-05.90	108.15-109.0

Sales: 1,453 (1,578) at 15 tonnes, 49 (50) at 5 tonnes.

Physical closing prices (buyer) were: Spot 90.00p (88.00p), March 87.25p (85.75p), April 89.25p (87.50p).

SOYABEAN MEAL

The London market opened unchanged on lack of any new fundamental news, reports T. G. Roddick, and drifted slightly lower due to weaker cash markets to close 30p down on the day.

	Yest'rd'ys Close	+ or —	Business Done
	£ per tonne		
February	117.00-19.5	+0.75	—
April	115.60-15.0	-0.30	114.00
June	115.60-15.7	-0.30	114.00-15.70
August	115.50-15.0	-0.35	115.50
October	115.50-15.7	-0.40	—
December	117.80-18.1	-0.20	—
February	120.70-20.9	-0.55	120.70

Sales: 25 (72) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £280.00 (£262.00) a tonne cif for Feb.-March shipment. White sugar daily price was £295.00 (£275.00).

The market opened some £10 above Tuesday's closing levels but prices then drifted lower under long liquidation and all the gains were lost by late afternoon. However, quotations then began to lift following reports that Peru was seeking to buy 20,000-30,000 tons prompt whites, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
March	292.00-93.00	289.25-89.80	303.00-92.00
May	300.00-01.50	300.20-00.25	314.50-98.00
Aug	301.50-02.50	303.50-04.00	313.50-00.00
Oct	301.50-02.00	303.50-05.00	316.50-00.50

Sales: 14,187 (10,769) lots of 50 tonnes.

No. 4 CONTRACT—Close (in order buyer, seller only). May 301.00, 303.00; Aug. 302.00, 302.75; Oct. 302.50, 305.00; Jan. 293.00, 298.00; March 290.00, 299.00; May 298.00, 303.00. Sales: 1,556 (626).

LONDON WHITE SUGAR—Close (in order buyer, seller, business, sales). April 290.00 buyer, nil, nil; July 295.00 buyer, 300.00, 40; Sept. 297.00 buyer, nil, nil; Nov. 300.00, 320.00, 312.00, 10; Feb. 300.00 buyer, 310.00-307.00, 2; April 300.00 buyer, nil, nil; July unquoted, nil, nil. Sales: 52.

Tate and Lyle ex-refinery price for granulated basis white sugar was £318.70 (same) a tonne for home trade and £376.00 (£348.50) for export.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. March 488.0, 460.0, 491.5-480.0, 64; May 511.0, 513.00, 516.0-509.5, 349; July 537.5, 539.0, 542.5-535.0, 721; Oct. 534.0, 534.5, 535.0-528.0, 236; Dec. 536.5, 537.0, 537.0-528.0, 110; March 536.5, 537.0, 537.0-532.0, 39; May 537.0, 538.0, 538.0-532.0, 19; July 537.0, 540.0, 536.0-535.0, 5. Sales: 1,543.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. May 398, 400, 400, 3; Aug. 413, 414, 414-413, 5; Oct. 413, 415, nil, nil; Dec. 415, 417, 415-413, 3; Jan. 416, 416, 415, 1; March 422, 424, nil, nil; May 426, 430, nil, nil; Aug. 426, 430, nil, nil. Sales: 12.

★

GRIMSBY FISH—Supply moderate, demand fair. Prices at ship's side (unprocessed) per stone: Shelf cod £3.50-£4.60, codlings £2.30-£3.70. Medium haddock £5.00-£5.40, small £3.00-£3.60. Large plaice £3.70-£4.00, medium £3.70-£4.00, best small £3.20-£3.80. Skinned dogfish (medium £6.50. Saithe £2.30-£2.80.

PRICE CHANGES

In tonnes unless otherwise stated.

	Feb. 13 1980	+ or —	Month ago
Metals			
Aluminium	£810/815	.....	£770/810
Free Mkt (cs)	$2180/2200	.....	$1950/195
Copper			
Cash w'bar	£1,359	-15	£1,081.5
3 mths	£1,369.5	-7	£1,115.75
Cash Cathode	£1,297	-19	£1,055
3 mths	£1,327	-15.5	£1,088.5
Gold troy oz	$585	-2.5	$755
Lead cash	£509.5	-10.5	£464
3 mths	£491.75	-5.75	£461.5
Nickel	£3,195.79		£3,195.78
Freemkt(c) (lb)	305/330c		280/310c
Platin'mtr'y oz	£189.0		£189
Free mkt	£400.95	+2.5	£395.55
Quicksil'ver	$395/405		$390/400
Silver troy oz	1685p	-31.7	2109.5p
3 months	1719.5p	-28.75	2149.5p
Tin Cash	£7,295	-30	£7,910
3 mths	£7,405	-9.5	£7,530
Tungsten22.04lb	$138.72		$138
Wolfrm 22.04 lb	$139-144		$140/145
Zinc cash	£392.5	+11.5	£328
3 months	£404.25	+11.75	£344.5
Producers	$780/925		$780
Oils			
Coconut (Phil)	$850v	-5	$900
Groundnut	‡		‡
Linseed Crude	£446	+9	£383
Palm Malayan	$580x		$555
Seeds			
Copra Philip	$555	+5	$585
Soyabean (U.S.)	$294z	-3	$284
Grains			
Barley Futures	£100.25	-0.20	£95.55
Maize			
French No3AM	£116.50	-1	‡
Wheat			
No. 1 Red Spg.	‡		‡
No2HardWint.	£94.50	-2.75	£94.50
Eng. Milling	‡		‡
Other commodities			
Cocoa ship't	£1,558	+32	£1,518
Future May	£1,515.5	+41.5	£1,449
CoffeeF't'rMay	£1,492	-1.5	£1,539
Cotton A.Index	89.40c	+0.9	86.50c
Rubber (kilo)	90p	+2	75p
Sugar (Raw)	£280	+19	£183
Wooltp's 64s kl	392p kilo		379p kilo

r March. s June. v Feb.-March. t March-April. u April. w May. z Indicator. § Buyer.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on February 13. GB—Cattle 79.83p per kg liveweight (−0.58). UK—Sheep 141.5p per kg edcw (+5.4). GB—Pigs 65.4p per kg liveweight (−0.1).

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 64.0 to 68.0; Eire hindquarters 69.0 to 72.0, forequarters 48.0 to 50.0. Lamb: English small 54.0 to 64.0, small* 66.0, medium 50.0 to 58.0, heavy 40.0 to 54.0; Imported frozen: New Zealand PL new season 53.0. PM new season 50.0 to 51.0. Pork: English, under 100 lb 42.0 to 49.0, 100-120 lb 38.0 to 48.0, 120-160 lb 36.0 to 44.0.

* Special quotation—very high quality produce in limited supply.

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—Spania: Navel/Navelinas 3.60-4.30; Jaffa: Navels/Shamouti 50/189's 3.75-5.50; Moroccan: 64/113's 3.80-4.00; Satsumas—Spania: 95/189's 3.20-4.00. Lemons—Italian: 100/150's 4.50-4.60; Cyprus: 11 kg 84/120's 3.00-4.40; Greek: 5.00-5.30; Spanish: Trays 1.50-1.70. Grapefruit—Cyprus: 20 kg 3.30-4.40; Jaffa: Large boxes 32/88's 3.80-4.80; Florida: Pink flesh 36/48's 4.20-4.80. Apples—French: Golden Delicious, boxes 40 lb 138/175 4.00-5.00, 20 lb 2.00-2.80, Granny Smith 20 lb 2.40-3.00, 40 lb 4.50-6.00, Starkcrimson, approx. 20 lb 72's 2.60, 40 lb 5.60-6.50; Hungarian: Starking 40 lb 138's 8.30; Canadian: Red Delicious 40 lb 8.00-9.50; Italian: Granny Smith 20 lb, per pound 0.13-0.15, Russets 0.10, Jonathan 0.08½, Starking 0.12, Golden Delicious 0.09. Grapes—Californian: Red Emperor, per pound 0.50-0.60; S. African: Queen of the Vineyard 5.80-6.00; Spanish: Almeria 4.00. Plums—S. African: Gaviotas 0.35-0.45, Red Ace 0.40-0.50, Harry Pickstone 0.40-0.45. Avocados—Israeli: 4.00-4.30. Melons—Spanish: 10 kg Green 4/11's 7.00; Peruvian: 10.00; S. African: 10 kg White 8.50-7.00; Ecuador: White 9.00. Pineapples—Ivory Coast: Each 12's 0.50-0.60, 6's 1.00-1.10. Onions—Spanish: 4.50-6.00; Dutch: 3.00-3.20; Canadian: 50 lb 3.80. Tomatoes—Canary: 3.00-5.00; Spanish: 2.00-2.80. Bananas—Jamaican: 28 lb 0.15. Lettuce—Dutch: 24's 2.80; French: 1.20. Cucumbers

English Produce: Potatoes—Per bag 2.00-2.60. Lettuce—Per 12, round 1.10-1.20. Mushrooms—Per pound 0.45-0.50. Apples—Per pound Bramley 0.08-0.13, Cox's Orange Pippin 0.08-0.15, Laxton 0.08-0.10, Spartans 0.08-0.12. Pears—Per pound, Conference 0.08-0.12, Comice 0.14-0.18. Swedes—Per 25/28 lb 0.60-0.70. Parsnips—Per 28 lb 0.60-1.20. Turnips—Per 28 lb 0.80-1.00. Rhubarb—Per pound, forced 0.20. Sprouts—Per pound 0.05-0.07. Cabbages—Per bag 0.80-0.90, White cabbages 1.20. Onions—Per bag 2.40-3.00. Carrots—Per bag 0.60-1.00. Beetroots—Per bag 1.00-1.20.

Tapioca quality better

ROTTERDAM — Problems of quality of imports of Thai tapioca and possible levies on poor quality material continue to affect trading, market traders have said.

The quality of recent Thai new crop shipments has shown a marked improvement over supplies arriving in Rotterdam around the end of 1979 from the last of the previous crop.

Talks are continuing at EEC and national levels about levies aimed at reducing poor quality arrivals. The Thai Minister of Trade is expected in Brussels on Monday for discussions.

The serious consideration given by the EEC to placing a levy equivalent to around 256 guilders per tonne (£57.92) on imports containing more than 5 per cent foreign matter seems to have convinced the Thai authorities and shippers of the European trade's concern about continued quality problems.

A decision is expected soon from Brussels about a possible increase in levy, but it is believed the Dutch government and those involved in tapioca trading have come to a compromise at a national level to forestall the serious effects such a levy would have.

A voluntary guarantee fund to be used if any poor quality material is levied at rates normally applied to compound feeds was set up in January and has not yet been used due to the improved quality.

Argentine wool subsidy

BUENOS AIRES — The Argentine Government has granted wool producers in the southern provinces a subsidy of 1,000 pesos (26p) per kilo of wool produced this season, up to a maximum of 40,000 kilos per producer, Argentine Wool Federation sources said.

The subsidy covers about 40m kilos out of total output of fine and fine crossbred wools of 75m kilos in the provinces of Rio Negro, Chubut, Neuquen, Santa Cruz and Tierra Del Fuego in the season which started last October 1.

Reuter.

Cuba swine fever outbreak

HAVANA — Swine fever has broken out in Cuba and the agriculture ministry today ordered the destruction of all pigs in the eastern province of Guantanamo.

A Ministry Communique said all pigs in Guantanamo and in a three mile strip of the neighbouring provinces of Holguin and Santiago must be slaughtered, burned and buried by this Friday.

The Ministry said the disease was believed to have been brought in by Haitian refugees. The last epidemic of swine fever in Cuba was in 1971.
Reuter.

INDICES

FINANCIAL TIMES

Feb. 12	Feb. 11	M'nth ago	Year ago
315.41	314.49	992.03	265.28

(Base: July 1, 1952=100)

MOODY'S

Feb. 12	Feb. 21	M'nth ago	Year ago
1495.8	1487.1	1467.5	1030.6

(December 31, 1931=100)

DOW JONES

Dow Jones	Feb. 19	Feb. 11	Month ago	Year ago
Spot	463.78	466.66	490.52	381.42
F'tur's	467.35	470.12	429.13	377.91

(Average 1924-25-26=100)

REUTERS

Feb. 13	Feb. 12	M'nth ago	Year ago
1852.3	1840.6	1715.2	1518.5

(Base: September 18, 1931=100)

EUROPEAN MARKETS

ROTTERDAM, February 13.

Wheat—U.S. No. Two Dark Hard Winter wheat 13.5 per cent, February $166, March $200. U.S. Hard Winter Wheat ordinary unquoted. U.S. No. Two Red Winter wheat February $196, March $198. U.S. No. Two Northern Spring wheat 14 per cent, February $205, March $208. April/May $198, May/June $198.

Maize—U.S. No. Three Corn yellow afloat $129, February $128.75/$129, March $132/$132.25/$132.50 traded, afloat $129, February $129, March $132.50, April/June $140.50, July/Sept. $148, Oct./Dec. $149.50.

PARIS, February 13.

Cocoa (FFr per 100 kilos)—March 1380-1405, May 1390-95, July 1390, Sept. 1430, Dec. 1445, March 1445. Sales at call 11.

Sugar (FFr per 100 kilos). March 2700-50, May 2780-85, July 2780-2810, Aug. 1795-2800, Oct. 2840-50, Nov. 2820-60, Dec. 2850-90, March 1860-2900. Sales at call 63.

Bank of England move encourages Government stocks
Leading shares strong along with situation issues

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 28	Feb. 7	Feb. 8	Feb. 18
Feb. 11	Feb. 21	Feb. 22	Mar 3
Feb. 25	Mar. 6	Mar. 7	Mar. 17

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The Bank of England's move to soothe the liquidity problems prevailing in money markets came as a tonic yesterday for Government stocks. The sector displaced oil-related and exploration issues from top of the investment popularity, although the latter were by no means quiet. But the new-found strength of Gilts was seen in gains ranging to nearly two points.

The late morning announcement by the Bank eased the pressure for an early rise in the clearer's base-rates and sent bears of Gilt-edged securities scurrying for cover. It also caused foreign investors to redirect their funds to a market in dire need recently of some new development to restore investment enthusiasm.

Longer-dated stocks made the day's largest gains and Treasury 15½ per cent closed 1⅞ up at 111½, while the partly-paid Treasury 12½ per cent "A" 2003-05, on which a call of £450m is due tomorrow, also put on 1⅜, to 23¾, in £25-paid form. Shorter-dated issues were a maximum of 1⅜ up at the session's highest in trade after the official close.

A continuation of the flight from currencies into stock markets became even more pronounced in the equity sections. Renewed institutional demand for a variety of shares impinged on an acutely short market and, at the same time, fostered speculative interest in numerous special situations, particularly in Electricals.

Leading shares secured double-figure gains in places, although Lucas Industries sustained a contrasting fall of 10 to 239p reflecting the BL situation. Dunlop were subjected to revived speculation concerning the company's Malaysian rubber estates and jumped 7 to 70p. This helped towards a sharp improvement of 9.5 in the FT 30-share index to 478.8, its best of the day and its highest for four months.

A particularly well-distributed business in Traded options resulted in 1,145 contracts being arranged, a shade below the previous day's level. BP attracted 246 deals, while Imperial, annual results today, recorded 179. Also in demand were Cons. Gold Fields, 163, and Racal, 155.

Home Banks up late

Quietly steady during the house session, the major clearing banks encountered buyers in the after-hours' dealings and closed with gains ranging to 8p. Elsewhere, Guinness Peat, at 122p, gave back 5 of the previous day's gain of 15 that followed the interim statement. Union Discount slipped to 370p before late interest lifted the price to 383p for a net gain of 8.

Against the firm trend in Insurances, Brentnall Beard shed 2 to 10p; the company is being sued by Sasse Turnbill, the managing company of Lloyd's underwriting syndicate. Awaiting the decision of the Office of Fair Trading on the Marsh McLennan bid for the company, C. T. Bowring relinquished 6 to 137p.

Leading Breweries made a firm showing although rises were mainly attributable to lack of sellers rather than to any worthwhile support. Whitbread closed 3 up at 132p, while Bass added 4 to 206p. Vaux also turned better and improved 4 to 152p. Elsewhere, Distillers attracted a useful institutional business and rose 5 to 203p.

Among leading Buildings, small buying in a market none-too-well supplied with stock lifted London Brick 3½ to 73p. International Timber went 8 higher to 126p on a solitary buyer. Elsewhere, William Whittingham put on 6 to 106p awaiting today's annual results, while A. Monk added 5 to 46p, the latter on demand that developed late on Tuesday. Dealings in Norwest Holst were suspended mid-session at 118p, up 7, pending publication of an announcement.

The Chemical sector featured Fisons which advanced 18 to 304p, after 307p; the annual results are due early next month. ICI firmed 4 to 402p. Elsewhere, Plysu put on 8 to 106p on speculative support, while Croda revived with a gain of 2½ to 51p.

Stores firm

Renewed bid speculation enabled House of Fraser to feature lively Stores with a rise of 8 at 142p. Elsewhere among the leaders, Marks and Spencer rose 4 to 94p, while British Home Stores continued to attract buyers and advanced 7 more to 288p. Selected secondary issues made good headway following buying in thin markets. Henderson-Kenton put on 8 for a two-day gain of 13 to 112p, while Harris Queensway, 11 up at 184p, and Owen Owen, 8 better at 96p, were also in demand. Polly Peck rose 1½ to 9½p in receipt of an offer from Restro Investments. Among Shoes, speculative support continued for Stylo, up 13 more at 203p.

Decca rallied 10 to 595p and the "A" a few pence to 443p awaiting fresh moves from Racal in the bid tussle with GEC. Racal continued firmly and put on 2 more to 225p, while GEC were a particularly good market and closed 11 up at 388p. Rationalisation hopes encouraged further demand for other selected Electrical shares. Plessey, up 5 at 151p, were in renewed demand on continuing talk of a bid from Racal if the latter's offer for Decca is thwarted. Ferranti advanced 9 to 519p and MK Electric a similar amount to 194p. Louis Newmark, 312p, and George H. Scholes gained 12 apiece, while Bowthorpe improved 5 more to 118p. Dealings resumed in Cray Electronics at 34p, compared with the suspension price of 35p, following details of the transfer of ownership of the Capital for Industry Group of Companies.

Late support lifted Tubes 8 to 310p, but other gains in the Engineering leaders were limited to a penny or so. Against the trend, GKN were unsettled by the planned BL lay-offs and eased 2 to 272p. Elsewhere, news of the agreed bid from IC Gas, down 18 at 746p, left CompAir 6½ higher at 102p, after 103½p. B. Elliott rose 13 to 265p on demand in a market none too well supplied with stock, while Birmingham Mint, an old take-over favourite, firmed 5 more to 182p. Birmid Qualcast responded to the better-than-expected preliminary results with a rise of 3½ to 46½p, after 47p. Martonair gained 11 to 209p in a limited market, while more modest improvements of 3 were recorded in Benjamin Priest, 75p, and Weir Group, 65p.

Business in Foods remained quite brisk, but gains among the leaders were limited to a few pence. Elsewhere, renewed speculative support lifted Needlers 3 to 57p, while Meat Trade Suppliers put on 4½ for a two-day gain of 7 to 32p, the latter in response to the interim statement. Louis C. Edwards attracted fresh interest and put on 3 to 66p, while prospective merger partner Morgan Edwards added a couple of pence to 120p. On the other hand, Bernard Matthews, at 320p, gave back most of the previous day's speculative gain of 25.

In firm Hotels and Caterers, Trusthouse Forte, still reflecting an investment recommendation, added 4 more to 170p. Renewed support was forthcoming for Grand Metropolitan which firmed 6 to 139p. A speculative flurry lifted Brent Walker 7 to 71p.

Glaxo improve

Glaxo were prominent in the miscellaneous Industrial leaders with a rise of 10 to 360p. Beecham, 130p, and Boots, 187p, hardened 3 apiece. In contrast, Pilkington reflected the BL crisis by easing 8 to 227p. Elsewhere, Securicor issues responded to the increased dividend and profits, the Ordinary rising 10 to 106p and the "A" 8½ to 97½p, while Security Services improved 5½ to 105p, with the "A" 5½ to the good at 97½p. Buyers showed interest in BTR which improved 8 to 339p and similar gains were marked against Elbar Industries, 220p, and Hunting Associated, 350p. Fresh speculative demand lifted Panls and Whites 9 to 257p in Sketchley, while Fitzwilton came to life with an improvement of 5 to 52p.

Dunlop featured Motor Components with a gain of 7 at 70p following rumours that the company is preparing to sell off its Malaysian rubber interests. In sharp contrast, the unsettling effects of the pay vote at BL left Lucas 10 down at 239p. BL Distributors were similarly affected with Appleyard, 79p, and Caffyns, 197p, easing 5 and 3 respectively.

Properties extended moderate gains in the after-hours' dealings with Land Securities finishing 8 higher at 304p and MEPC closing 5 to the good at 201p. British Land put on 4½ to 73½p, while Stock Conversion firmed 10 to 376p and Berkeley Hambro 8 to 193p.

Oils revive

Trading in the Oil share market was again brisk. Leading issues had an erratic day before buyers took command in the later dealings and prompted a fairly swift improvement. British Petroleum finished a couple of pence below the best with a gain of 12 at 412p, while Shell closed 8 up at 388p. Secondary issues ended with a mixed appearance. The expected £50m increase in development costs of the Buchan oil field in the North Sea prompted dullness in some of the participants, Gas and Oil Acreage reacting 25 to 375p and Charterhall 7½ to 76p. In contrast, revived demand lifted Aran Energy 24 to 370p, while Burmah were supported and gained 11 to 210p.

Persistent speculative attention raised Furness Withy 45 more to 332p and late yesterday it was announced that an approach had been received on behalf of Orient Overseas Container of Hong Kong; Fashion and General, which holds a stake in Furness, rose 20 to 165p. Elsewhere in Trusts, City and International jumped 25 to 134p, also on a bid approach.

A combination of bid hopes and the strong commodity price again lifted Guthrie, which touched 900p before settling for a rise of 33 to 888p. Elsewhere in Rubbers the trend was mixed. Recent bid favourite Castlefield shed 5 to 545p, but Highlands, 117p, and Anglo-Indonesian, 143p, rose 10 and 6 respectively. Teas made useful headway with Williamson a particularly good market, closing 17 up at 262p, while gains of 8 were recorded in Warren, 164p, and McLeod Russell, 355p.

RTZ sharply higher

Mining markets surged ahead in the after-hours trading with London-registered Financials and Australian exploration issues all attracting heavy support.

In the former section Rio Tinto-Zinc advanced to close 30 up at a 1979-80 high of 485p reflecting continued reinvestment of profits from the recent surge in Gold Fields and rumours of further success at the Ashton diamond venture in Western Australia.

Consolidated Gold Fields were extremely active and rallied from around 505p in the morning to end 10 firmer on balance at 520p; half-year results are expected on March 5. Favourable Press mention lifted Charter 9 to a 1979-80 high of 194p while Selection Trust gained 14 to a high of 790p and Tanks 10 to 314p.

South African Financials attracted good overseas buying, notably from Johannesburg. "Johnnies" put on £1⅛ to a high of £35⅜ on further consideration of the more than doubled half-year profits, while Anglo American and De Beers rose around 15 apiece at 685p and 548p. Gold Fields of South Africa added ½ to £39½.

Platinums recovered strongly after an uncertain start. Impala rose 13 to 326p, Lydenburg 11 to 184p and Rustenburg 4 to 294p.

Australians were featured by the Ashton venture participants. Rumours that a progress report is imminent prompted heavy buying of Northern Mining, which rose 20 to 160p, Conzinc Riotinto, which put on 16 to 348p and Ashton Mining, which added 15 to 170p.

Recent high-flyers Otter and Samantha moved up rapidly in the late trading with Otter finally 7 better at 147p and Samantha 24 to the good at 142p.

Elsewhere, Patino N.V. moved up to £12¼; trading in the company's stock was halted on the Toronto Exchange following news that the company is to make a statement today in The Hague.

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	350	74	36	—	—	—	—	412p
BP	360	—	—	78	1	90	—	"
BP	375	36	25	—	—	—	—	"
BP	390	—	—	63	21	72	—	"
BP	400	37	134	—	—	—	—	"
BP	420	—	—	60	10	38	—	"
BP	440	18	18	—	—	—	—	"
Cons. Gold	420	98	20	123	17	—	—	609p
Cons. Gold	460	68	27	92	—	116	—	"
Cons. Gold	500	44	35	68	—	86	—	"
Cons. Gold	350	31	34	50	20	68	10	"
Courtaulds	70	12	—	13½	—	14	17	80p
Courtaulds	80	3	20	8½	—	10	—	"
GEC	330	72	—	88	3	87	—	388p
GEC	390	27	43	46	—	60	—	"
GEC	420	14	15	—	—	...	—	"
Grand Met.	140	9½	1	16½	—	22	—	139p
ICI	330	78	3	81	1	—	—	403p
ICI	390	27	37	48	—	67	—	"
Land Secs.	260	38	..	58	—	76	—	304p
Land Secs.	280	38	—	49	2	60	1	"
Land Secs.	300	24½	—	38	—	46	—	"
Land Secs.	330	10½	38	22	1	—	—	"
Marks & Sp.	90	10½	27	12	—	13½	2	84p
Marks & Sp.	100	4	10	7½	—	11	—	"
Shell	330	64	12	80	—	90	—	387p
Shell	360	44	8	60	—	68	—	"
Shell	390	24	30	36	—	30	—	"
Totals			694		76		30	
		February		May		August		
Boots	200	¾	—	11	3	17	—	187p
Imperial Gp.	70	12	5	12	3	14	—	81p
Imperial Gp.	80	2½	15	5½	103	7	61	"
Racal Elec.	220	11	6	28	5	36	—	227p
Racal Elec.	240	2½	118	18	26	23	1	"
RTZ	300	173	—	186	2	188	8	473p
RTZ	420	55	13	74	68	102	—	"
RTZ	460	—	—	54	23	74	2	"
Totals			133		228		82	

FINANCIAL TIMES STOCK INDICES

	Feb. 13	Feb. 12	Feb. 11	Feb. 8	Feb. 7	Feb. 6	A year ago
Government Secs.	67.05	66.10	65.59	65.53	66.05	65.46	65.32
Fixed Interest	67.40	66.65	67.02	67.25	67.06	66.96	66.21
Industrial	478.8	469.3	469.9	461.4	462.9	455.9	457.4
Gold Mines	355.0	359.8	357.5	348.0	346.4	344.8	174.6
Ord. Div. Yield	6.92	7.03	7.02	7.06	7.08	7.17	6.21
Earnings, Yld. % (full)	17.06	17.34	17.31	17.41	17.39	17.68	14.85
P/E Ratio (net) (*)	7.18	7.07	7.08	7.05	7.07	6.95	7.99
Total bargains	26,561	27,674	28,012	25,675	22,393	20,496	—
Equity turnover £m	—	85.630	117.47	158.05	155.92	110.42	84.88
Equity bargains total	—	21,966	18,553	21,115	18,751	15,432	18,117

10 am 471.0. 11 am 473.3. Noon 472.4. 1 pm 478.8. 2 pm 474.9. 3 pm 476.4.

Latest Index 01-246 8026

* Nil=6.92.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979/80 High	1979/80 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/6)	63.30 (18/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (6/6)	64.05 (16/11)	150.4 (28/11/47)	50.53 (6/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	380.4 (18/1/80)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 13	Feb. 12
—Daily		
Gilt Edged	121.7	130.1
Industrials	139.0	157.7
Speculative	102.5	134.5
Totals	99.9	119.6
5-d'y Av'r'ge		
Gilt Edged	122.9	124.2
Industrials	141.1	138.2
Speculative	92.9	86.7
Totals	102.9	100.2

NEW HIGHS AND LOWS FOR 1979/80

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979-80.

NEW HIGHS (118)

AMERICANS (2)
CANADIANS (1)
BUILDINGS (4)
DRAPERY & STORES (2)
ELECTRICALS (10)
ENGINEERING (4)
FOODS (2)
INDUSTRIALS (11)
LEISURE (1)
NEWSPAPERS (3)
PAPER & PRINTING (2)
PROPERTY (2)
SHIPPING (3)
SOUTH AFRICANS (4)
TEXTILES (1)
TRUSTS (27)
OILS (4)
OVERSEAS TRADERS (4)
RUBBERS (6)
TEAS (3)
MINES (14)

NEW LOWS (15)

AMERICANS (5)
Citicorp — Norton Simon
Colgate-Palmolive — Richardson-Merrell
Gillette

CANADIANS (1)
Bank of Montreal

STORES (2)
Blackman & Conrad — Selincourt

INDUSTRIALS (2)
Lep Group — Staffordshire Potteries

INSURANCE (2)
Brentnall Beard — Taisho Marine

LEISURE (1)
Boosey & Hawkes

TEXTILES (1)
Snia Viscosa

TRUSTS (1)
Kakuzi

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	89	—	1
Corpns. Dom. and Foreign Bonds	32	9	25
Industrials	393	143	860
Financial and Prop.	289	29	180
Oils	13	15	11
Plantations	15	3	10
Mines	50	43	56
Others	45	90	31
Totals	926	336	1,174

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

		Wed., Feb. 13, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., Feb. 12 Index No.	Mon., Feb. 11 Index No.	Fri., Feb. 8 Index No.	Thur., Feb. 7 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	249.08	+1.1	17.56	6.29	7.19	246.28	246.08	241.61	241.23	225.74
2	Building Materials (27)	241.28	+0.1	16.45	6.50	7.76	241.12	241.48	235.01	235.49	199.91
3	Contracting, Construction (29)	369.28	—	25.49	6.57	4.87	369.22	368.39	362.28	358.14	335.27
4	Electricals (15)	646.77	+2.6	12.50	3.84	10.66	630.30	628.47	620.17	616.94	535.98
5	Engineering Contractors (11)	302.88	+0.7	24.45	8.45	5.21	300.84	297.31	293.08	295.53	341.95
6	Mechanical Engineering (74)	171.86	+1.2	20.03	7.62	6.19	169.88	170.06	167.02	166.97	175.78
8	Metals and Metal Forming (16)	168.17	−0.1	20.24	9.03	5.90	168.35	168.51	165.23	165.95	156.10
	CONSUMER GOODS										
11	(DURABLE) (50)	224.22	+0.2	15.94	5.45	7.75	223.79	222.75	218.09	217.25	202.16
12	Lt. Electronics, Radio, TV (15)	314.80	+0.5	12.22	4.09	10.50	313.22	310.82	303.04	301.83	261.98
13	Household Goods (14)	113.73	−0.2	26.53	9.64	4.54	113.98	113.37	113.98	113.31	159.10
14	Motors and Distributors (21)	114.47	−0.5	23.48	8.15	5.03	115.09	115.48	113.65	113.30	111.95
	CONSUMER GOODS										
21	(NON-DURABLE) (173)	224.61	+1.5	18.00	6.79	6.85	221.33	221.17	219.42	220.87	206.79
22	Breweries (14)	259.63	+1.4	17.21	6.73	6.82	256.01	254.60	251.06	252.36	224.66
23	Wines and Spirits (5)	298.93	+2.4	18.16	6.20	6.80	292.00	291.15	288.70	290.49	293.42
24	Entertainment, Catering (17)	310.35	+3.1	17.98	6.76	7.00	301.13	300.05	296.61	301.50	271.58
25	Food Manufacturing (19)	208.03	+0.6	19.46	7.00	6.35	206.70	206.41	203.16	203.32	196.84
26	Food Retailing (15)	304.66	+0.8	13.64	4.93	8.76	302.32	303.19	302.07	302.87	229.30
32	Newspapers, Publishing (13)	450.58	+0.2	22.40	6.67	6.09	449.67	452.15	444.28	442.82	377.24
33	Packaging and Paper (15)	134.02	+0.4	22.22	8.47	5.79	133.44	132.04	130.23	131.75	131.99
34	Stores (43)	224.96	+2.3	13.68	5.06	9.45	219.97	219.61	217.97	220.24	191.69
35	Textiles (23)	134.22	+0.9	27.43	12.10	4.61	132.97	133.91	131.76	132.41	170.59
36	Tobaccos (3)	209.28	+0.2	27.24	10.95	4.15	208.80	211.29	215.75	215.85	237.84
37	Toys and Games (6)	43.37	+1.2	37.74	16.51	3.34	42.83	41.84	40.85	41.42	91.33
41	OTHER GROUPS (97)	214.41	+1.3	14.88	6.33	8.14	211.73	211.76	207.60	207.77	193.53
42	Chemicals (17)	317.88	+1.5	15.46	6.34	7.47	313.29	312.81	303.52	304.89	278.47
43	Pharmaceutical Products (7)	221.00	+2.7	11.52	5.79	10.59	215.25	215.62	213.23	212.50	238.83
44	Office Equipment (6)	122.02	+1.2	17.96	6.70	6.56	120.55	121.57	120.24	121.04	123.77
45	Shipping (10)	474.89	+2.4	11.15	6.80	11.45	463.96	462.21	455.56	457.50	409.66
46	Miscellaneous (37)	251.26	+0.2	16.06	6.43	7.89	250.69	250.75	246.58	246.02	208.88
49	INDUSTRIAL GROUP (492)	233.60	+1.2	16.98	6.45	7.28	232.70	232.51	229.17	229.70	214.62
51	Oils (8)	831.08	+2.5	13.52	5.74	7.99	810.57	830.98	793.69	783.94	553.36
59	500 SHARE INDEX	282.49	+1.5	16.21	6.29	7.43	278.24	279.60	273.67	273.44	242.27
61	FINANCIAL GROUP (117)	203.18	+1.5	—	5.48	—	200.14	200.44	196.72	197.54	168.66
62	Banks (6)	236.42	+1.8	35.18	3.50	3.63	232.16	232.05	225.11	226.09	202.29
63	Discount Houses (10)	234.64	+0.3	—	8.68	—	233.99	235.87	236.08	236.08	213.03
64	Hire Purchase (5)	178.40	+0.8	18.64	3.33	6.99	177.02	178.24	178.57	181.81	156.13
65	Insurance (Life) (10)	176.86	+2.3	—	5.95	—	172.90	173.39	169.67	170.32	128.32
66	Insurance (Composite) (9)	135.02	+2.0	—	7.19	—	132.41	133.07	130.30	132.16	116.63
67	Insurance Brokers (10)	287.22	−0.4	17.19	6.83	8.36	288.36	287.08	283.98	287.08	301.10
68	Merchant Banks (14)	105.75	−0.4	—	3.72	—	106.13	103.79	102.85	108.98	76.68
69	Property (44)	369.01	+1.8	3.63	2.99	39.48	362.49	364.31	360.84	360.75	285.88
70	Miscellaneous (9)	135.08	−0.4	15.38	6.73	8.53	135.61	135.70	133.45	132.18	111.03
71	Investment Trusts (109)	236.59	+1.5	—	5.26	—	232.98	230.19	222.32	218.48	208.37
81	Mining Finance (4)	230.07	+4.4	10.02	3.84	12.12	220.35	217.92	206.87	205.89	119.85
91	Overseas Traders (20)	437.34	+2.2	11.35	6.15	10.84	427.82	423.22	405.17	399.28	317.84
99	ALL-SHARE INDEX (750)	265.72	+1.6	—	6.01	—	261.45	262.09	256.09	255.74	223.29

FIXED INTEREST PRICE INDICES

	British Government	Wed., Feb. 13	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	100.57	+0.83	—	1.38
2	5-15 years	105.09	+1.57	—	2.00
3	Over 15 years	110.82	+1.82	—	0.95
4	Irredeemables	131.72	+1.48	—	0.00
5	All stocks	105.36	+1.41	—	1.34

FIXED INTEREST YIELDS
British Govt. Av. Gross Red.

			Wed., Feb. 13	Tues., Feb. 12	Year ago (approx.)
1	Low Coupons	5 years	12.29	12.50	10.66
2		15 years	12.29	12.49	12.20
3		25 years	12.29	12.49	13.01
4	Medium Coupons	5 years	14.49	14.90	13.72
5		15 years	13.88	14.16	13.75
6		25 years	13.81	14.06	13.75
7	High Coupons	5 years	14.91	15.30	14.17
8		15 years	14.41	14.69	14.32
9		25 years	14.15	14.41	14.28
10	Irredeemables		11.26	11.43	12.75

		Wed., Feb. 13 Index No.	Yield %	Tues. Feb. 12	Mon. Feb. 11	Fri. Feb. 8	Thurs. Feb. 7	Wed. Feb. 6	Tues. Feb. 5	Mon. Feb. 4	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	51.25	†14.43	51.18	51.88	51.79	51.58	51.63	51.67	51.70	52.27
16	Investment Trust Prefs. (15)	47.86	14.09	47.77	47.82	47.82	47.82	47.82	48.13	48.09	49.01
17	Coml. and Indl. Prefs. (20)	51.87	14.48	51.80	51.86	51.73	51.63	51.72	51.85	51.87	67.64

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979-80 high	1979-80 low
Cons. Gold Fields	25p	13	520	+10	617	178
Charterhall	5p	12	76	− 7½	86	22½
CompAir	25p	12	102	+ 6½	103½	52
RTZ	25p	11	485	+30	485	226
Dunlop	50p	8	70	+ 7	80	43
Furness Withy	£1	9	332	+45	332	218
Premier Cons.	5p	9	80	− 2	87	5
Trusthouse Forte	25p	8	170	+ 4	198	127
Beecham	25p	8	130	+ 3	189	114
Charter Cons.	2p	8	194	+ 9	194	69
De Beers Defd.	R0.05	8	548	+16	548	332
ICI	£1	8	402	+ 4	415	314
BP	25p	7	412	+12	414	220½
Lucas Inds.	£1	7	239	−10	310	195
Rank Org.	25p	7	224	+ 4	300	168

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 4	Feb. 15	May 8	May 19
Feb. 18	Feb. 29	May 9	Jun. 9
Mar. 3	Mar. 14	Jun. 12	Jun. 23

For rate indications see end of Share Information Service

Money was given for the call in Howard Tenens, Marshall Cavendish, P and O Deferred, Dunlop, Charterhall, FNFC, Premier Oil, Lonrho, Tricentrol, Charter Cons., Coronation Syndicate, National Carbonising, Woodside, Bougainville, UDT, Town and City, London Merchant Securities, Waterford Glass, William Press and John Brown. A put was done in Premier Oil, while doubles were arranged in Greencoat Properties and RTZ.

RECENT ISSUES

EQUITIES

Issue Price p‡	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price p‡	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
363	F.P.	20/2	408	341	B.P. New	408	+8	§15.75	5.8	4.8	7.3
£1	F.P.	—	102	100	Child Health Res'ch	102	+1	—	—	—	—
§80	F.P.	7/3	108	98½	Emess Lighting	108	.....	b5.0	3.0	7.9	4.9
¶	F.P.	23/1	156	119	Haynes P'olish'g 20p	156	+1	bd6.0	2.1	5.3	10.3
10	F.P.	28/2	11	10	Keep Inv. Trust 5p	10½	....	—	—	—	—
**	F.P.	—	68	60	Lon.Merc'tSecs.Defd	60	.....	—	—	—	—
¶	F.P.	11/1	90	68	Spring Grove 10p	88½	....	b4.0	1.8	6.3	18.1
‖‖	F.P.	—	£27	£26	Wereldhave NVDFl.20	£26	.....	QFl.5	1.1	5.3	16.7

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price £	+ or −
¶¶	F.P.	—	37p	36½p	Aurora 3.85% Cum. Pref.	36½p	..
¶	F.P.	29/2	98¼	98½	B'mem'th & District W'ter Red. Prf. 1985	98½	..
‖120p	Nil	13/2	1pm	1pm	Clifford (Chas.) 12% Cum. Pref.	1pm	..
¶	F.P.	30/5	98	95	Felixstowe Dock 9½% Cum Red Pref.	96	..
**	F.P.	8/8	88p	85p	Howitt (J.) 10% Cum. Pref.	83p	−½
¶	£10p	24/4	9	9	Rk'm'nw'h & Uxbridge Wtr. 9½% RdPf 1985	9	..
¶¶	F.P.	13/2	91p	78p	Thorn Elec. 7% Con. Red. 2nd Cum Prf 92-96	90p	−1

"RIGHTS" OFFERS

Issue Price p‡	Am't Unit Paid Up	Latest Renunc. Date ●	Latest Renunc. Date ■	1979/80 High	1979/80 Low	Stock	Closing Prices p‡	+ or −
18½	F.P.	24/1	21/2	23½	14½	Associated British Engineering	21	.....
33½	Nil	22/2	28/3	34pm	26pm	Edwards (Louis C.)	33pm	−1
40	F.P.	28/1	29/2	99pm	69pm	Elson & Robbins	99pm	.....
60	F.P.	3/1	24/1	845	660	Hammerson Prop. A	835	−10
A$1	Nil	—	—	45pm	20pm	Hanimex Corp	20pm	.....
60cts	Nil	—	—	455	190pm	Pancontinental	410pm	−15
85	Nil	20/2	12/3	36pm	32pm	Paringa	32pm	.....
50	Nil	21/2	13/3	59pm	35pm	Premier Cons. Oilfields	35pm	−1
R1.58‡‡	Nil	—	—	30pm	4pm	Rand London Coal Units	30pm	.....
34	F.P.	11/1	1/2	49½	44	Wearwell	48	.....

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. p‡ Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 participating pref. shares and 1 ord. share at R3.50 per unit. † Dealings under special rule.

LEADERS AND LAGGARDS

The following table shows the percentage changes † which have taken place since December 31, 1979, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Mining Finance	+36.06	Industrial Group	+12.04
Gold Mines FT	+31.24	Motors and Distributors	+11.07
Overseas Traders	+28.71	Pharmaceutical Products	+10.94
Electronics, Radio and TV	+22.29	Insurance (Life)	+10.56
Building Materials	+21.86	Entertainment and Catering	+10.12
Investment Trusts	+21.03	Financial Group	+ 9.75
Merchant Banks	+18.25	Shipping	+ 9.40
Consumer Goods (Durable) Group	+17.54	Insurance (Composite)	+ 8.83
Newspapers and Publishing	+17.04	Food Manufacturing	+ 8.69
Oils	+16.40	Consumer Goods (Non-durable) Group	+ 8.63
Metal and Metal Forming	+16.18	Insurance Brokers	+ 7.78
Office Equipment	+16.17	Hire Purchase	+ 7.07
Packaging and Paper	+15.78	Discount Houses	+ 6.70
Capital Goods Group	+15.40	Textiles	+ 5.89
Stores	+15.07	Banks	+ 5.37
Electricals	+14.67	Tobaccos	+ 4.94
Property	+14.46	Engineering Contractors	+ 4.57
All-share Index	+13.78	Food Retailing	+ 2.80
Contracting and Construction	+13.70	Breweries	+ 1.26
Mechanical Engineering	+13.41	Wines and Spirits	− 0.39
Other Groups	+13.12	Household Goods	− 2.08
500-share Index	+12.97	Toys and Games	−10.00
Chemicals	+12.81		

† Percentage changes based on Tuesday, February 12, Indices.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Lloyds Bk. (C.I.) U/T Mgrs.
[illegible]

Lloyds International Mgmt.
[illegible]

M & G Group
Three Quays, Tower Hill EC3R 6BQ.
[illegible]

Midland Bank Tst. Corp. (Jersey) Ltd.
28-34, Hill St., St. Helier, Jersey.
[illegible]

Samuel Montagu Ldn. Agents
114, Old Broad St., E.C.2.
[illegible]

Murray, Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C2.
[illegible]

Nat. Westminster Jersey Fd. Mgrs. Ltd.
[illegible]

Negit S.A.
[illegible]

Negit Ltd.
[illegible]

Pacific Basin Fund
[illegible]

Phoenix International
[illegible]

Providence Capitol Life Ass. Co. (C.I.)
[illegible]

Quest Fund Mngmt. (Jersey) Ltd.
[illegible]

Richmond Life Ass. Ltd.
48, Athol Street, Douglas, I.O.M.
[illegible]

Rothschild Asset Management (C.I.)
[illegible]

Rothschild Asset Mgt. (Bermuda)
P.O. Box 664, Bk. of Bermuda Bld., Bermuda
Reserve Assets Fd. US$9.69 9.90 ..... —
Prices on Jan. 28. Next dealing Feb. 6.

Royal Trust (C.I.) Fd. Mgt. Ltd.
[illegible]

Save & Prosper International
[illegible]

Schlesinger International Mngt. Ltd.
[illegible]

Schroder Life Group
[illegible]

J. Henry Schroder Wagg & Co. Ltd.
[illegible]

Sentry Assurance International Ltd.
[illegible]

Singer & Friedlander Ldn. Agents.
[illegible]

Standard Chartered Intl. Bd. Fd.
[illegible]

Stronghold Management Limited
[illegible]

Surinvest (Jersey) Ltd. (x)
[illegible]

Surinvest Trust Managers Ltd.
[illegible]

TSB Unit Trust Managers (C.I.) Ltd.
[illegible]

TSB Gilt Fund Managers (C.I.) Ltd.
10 Wharf St., St. Helier, Jersey (CI). 0534 73494.
TSB Gilt Fund 90.0 93.0 ..... 12.90
TSB Gilt Fd. (Jsy.) 90.0 93.0 ..... 12.90
Prices on February 13. Next sub day February 20.

Tokyo Pacific Holdings N.V.
[illegible]

Tokyo Pacific Hldgs. (Seaboard) N.V.
[illegible]

Tyndall Group
[illegible]

Unilife Assurance (Overseas) Ltd.
[illegible]

Union-Investment-Gesellschaft mbH
[illegible]

Utd. Intnl. Mngmnt. (C.I.) Ltd.
[illegible]

van Cutsem & Associates Ltd.
[illegible]

S. G. Warburg & Co. Ltd.
[illegible]

Warburg Invest. Mngt. Jrsy. Ltd.
[illegible]

Wardley Investment Services Ltd.
[illegible]

World Wide Growth Management
[illegible]

Wren Commodity Trust
[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Group (a)(g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd. (a)(c)

Barclays Unicorn Ltd. (a)(c)(g)

Baring Brothers & Co. Ltd. (a)(x)

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Trust Management (a)(g)

The British Life Office Ltd. (a)

Brown Shipley & Co. Ltd.

Canada Life Unit Trst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carliol Unit Fd. Mgrs. Ltd. (a)(c)

Charities Official Invest. Fund

Chieftain Trust Managers Ltd. (a)(g)

Confederation Funds Mgt. Ltd. (a)

Cosmopolitan Fund Managers (a)

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)

NOTES

Prices are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmnt. Ltd.

Equity & Law Un. Tr. M. (a)(b)(c)

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr. Mgrs.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a)(c)(g)

Hill Samuel Unit Tst. Mgrs. (a)

Investment Intelligence Ltd. (a)(g)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General Tyndall Fund

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group (y)(c)(z)

ManuLife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd. (a)

Minster Fund Managers Ltd.

MLA Unit Trust Mngmnt. Ltd.

Murray Johnstone U.T. Mgmt. (a)

Mutual Unit Trust Managers (a)(g)

National and Commercial

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a)(g)

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Saturn Fund Management Limited

Save & Prosper Group

Schlesinger Trust Mngrs. Ltd. (a)(z)

J. Henry Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Sebag Unit Tst. Managers Ltd. (a)

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd. (a)(g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co. (y)

Tyndall Managers Ltd.

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life Assurance Co. Ltd.

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Gartmore Bonds

Assicurazioni GENERALI S.p.A.

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Growth & Sec. Life Ass. Soc. Ltd.

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Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

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Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

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The London & Manchester Ass. Gp.

M & G Group

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Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

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Planned Savings Group

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

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Prudential Pensions Limited

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Rothschild Asset Management

Royal Insurance Group

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Schroder Life Group

Scottish Widows' Group

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Standard Life Assurance Company

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

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Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

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Windsor Life Assur. Co. Ltd.

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Alexander Fund

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Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive—Ldn. Agents

Bridge Management Ltd.

Britannia Tst. Mngmt. (C.I.) Ltd.

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Charterhouse Japhet

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DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

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The English Association

Eurobond Holdings N.V.

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Henderson Baring Group

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Hill Samuel Invest. Mgmt. Intnl.

H.V. Interbeheer

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Leopold Joseph & Sons (Guernsey)

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Continued on previous page

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Over Fifteen Years

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INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OIL & GAS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
430	97	Coronation	385	−15	Q54c	2.2	8.0
660	132	Falcon Rh 50c	640	......	Q100c	1.7	10.8
48	11	Rhod'n Corp. 16½p.	41	......	0.56	6.5	2.0
267	70	Roan Cons. K4	260	......	Q0.125	ϕ	2.9
67	26	Wankie Col. Rh 1	55	−1	Q9c	1.5	11.3
57	9	Zam.Cpr.SBD0.24	51	−1	—	—	—

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

217	56	Messina R0.50	217	......	Q10c	ϕ	2.6

MISCELLANEOUS

82	54	Barymin	82	+2	—	—	—
14½	10	Burma Mines 17½p	13½	......	—	—	—
470	170	Cons. Murch. 10c.	463	−5	Q100c	ϕ	12.3
585	280	Northgate C$1	540	......	—	—	—
485	226	R.T.Z.	485	+30	†11.5	3.4	3.4
31	12	Robert Mines	21	−2	—	—	—
65	26	Sabina Inds. C$1.	54	−2	—	—	—
880	470	Tara Exptn. $1	570	+3	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- Excluding a final dividend declaration.
- Regional price.
- ‖ No par value

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 38

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	27	......
Bertam	18	......
Bdg'wtr. Est. 50p	353	......
Clover Croft	58	......
Craig & Rose £1	£11¼	......
Dyson (R. A.) A	15	......
Fife Forge	38	......
Finlay Pkg. 5p	19	+1
Graig Ship. £1	£13	......
Higsons Brew	80	......
Holt (Jos) 25p	255	......
I.O.M. Stm. £1	150xd	......
Pearce (C. H.)	385	......
Peel Mills	57	......
Sheff. Refrsmnt.	98	......
Sindall (Wm.)	165	......

IRISH

Conv. 9% '80/82	£86¼xd	+⅛
Nat. 9¾% 84/89	£71⅞	+½
Fin. 13% 97/02	£86¼	+⅜
Alliance Gas	56	......
Arnott	380	......
Carroll (P.J.)	56	......
Clondalkin	105	......
Concrete Prods.	98	......
Heiton (Hldgs.)	39	−1
Ins. Corp.	200	......
Irish Ropes	55	......
Jacob	35	......
T.M.G.	148	−2
Unidare	80	−2

OPTIONS
3-month Call Rates

Industrials					
A. Brew	8	I.C.I.	22	Utd. Drapery	9
BOC Intl.	6	"Imps"	7	Vickers	14
B.S.R.	5	I.C.L.	45	Woolworths	6½
Babcock	12	Inveresk	5		
Barclays Bank	30	Ladbroke	15	**Property**	
Beecham	13	Legal & Gen.	14	Brit. Land	7
Blue Circle	25	Lex Service	10	Cap. Counties	9
Boots	17	Lloyds Bank	24	Land Secs.	25
Bowaters	16	"Lofs"	3½	M.E.P.C.	17
B.A.T.	25	London Brick	6	Peachey	13
Brown (J.)	7	Lucas Inds.	20	Samuel Props.	12
Burton 'A'	22	"Mams"	14	Town & City	2
Cadburys	5½	Mrks. & Spncr.	9		
Courtaulds	8	Midland Bank	30	**Oils**	
Debenhams	8	N.E.I.	5	Brit. Petroleum	35
Distillers	21	Nat. West. Bank	32	Burmah Oil	15
Dunlop	5½	P & O Dfd.	9	Charterhall	6½
Eagle Star	14	Plessey	10	KCA	6½
F.N.F.C.	2½	Racal Elect.	20	Premier	9
Gen. Accident	21	R.H.M.	4½	Shell	28
Gen. Electric	30	Rank Org.	18	Tricentrol	27
Glaxo	40	Reed Intnl.	17	Ultramar	45
Grand Met.	12	Sears	5½		
G.U.S. 'A'	30	Tesco	7	**Mines**	
Guardian	23	Thorn	25	Charter Cons.	18
G.K.N.	22	Trust Houses	14	Cons. Gold	52
Hawker Sidd.	16	Tube Invest.	27	Lonrho	12
House of Fraser	12	Unilever	40	Rio T. Zinc	35
		U.D.T.	4		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday February 14 1980

U.S. to send marines to Arabian Sea

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT JIMMY CARTER has ordered a U.S. marine assault force into the Arabian Sea as a further warning to the Soviet Union to keep its hands off Gulf oilfields to the north.

The 1,800 marines, in four ships, will arrive from the Pacific in mid-March to join two aircraft-carrier task forces already in the region.

The U.S. Administration quickly stressed that the move had no connection with the continued holding of U.S. hostages in Iran.

The President was holding a Press conference late last night amid speculation about an imminent breakthrough in the long deadlock over the 50 hostages.

In recent days the State Department has been silent on Iranian developments, so as not to harm the apparent efforts of President Abol Hassan Bani Sadr, of Iran to have the hostages freed in return for an international inquiry into the regime of the deposed Shah.

News of the marines' deployment coincided with the rebuff by the International Olympic Committee, meeting at Lake Placid for the Winter Games this week, of Mr. Carter's request that the summer Games in July should not be held in Moscow.

This is part of the U.S. strategy to "exact a price" from the Soviet Union for its invasion and occupation of Afghanistan.

White House reaction yesterday to the IOC decision was that the U.S. Government stood by its position that Moscow must pull its troops out of Afghanistan by February 20 if U.S. athletes were to take part in the Moscow games.

But the Administration cannot officially control what American athletes do, except perhaps by withdrawing their passports.

White House officials said they were prepared to extend the somewhat arbitrary February 20 deadline "for a reasonable time" for the U.S. Olympic Committee to respond to the President's boycott request.

Lord Killanin, the IOC president, said on Tuesday night that the 73 IOC members at Lake Placid had unanimously agreed that the Moscow Games should go on as planned. They included two American members on the IOC.

While rejecting Mr. Carter's request, the IOC delivered a mild slap to the Russians in a statement which read in part "the IOC urges the organising committee in Moscow and the National Olympic of the USSR to inform the highest authorities of their Government of the circumstances which have created these difficulties."

The deployment of a small marine force in the Gulf and Arabian Sea area is designed as a further sign that Mr. Carter can back up his commitment, made last month, to defend vital U.S. interests there against any outside aggression.

Observers are divided as to whether Russia actually intends to move any further than Afghanistan.

Indeed, the Carter Administration has been predicting a Soviet troops reduction in Afghanistan shortly, though Washington says this would be only a tactical manoeuvre designed to influence world opinion and the Olympic Games organisers, which should therefore deceive no one.

Our Foreign Staff adds: The British Government is persisting with its campaign to have the Olympics moved from Moscow and will consult with a "growing number of countries" which share this view, according to a Foreign Office statement yesterday.

David Satter adds from Moscow: The Soviet media yesterday praised the decision of the International Olympic Committee to turn down the U.S. demand that the games be moved from Moscow or cancelled because of the Soviet invasion of Afghanistan. The Tass news agency said that the committee had resisted the attempts of the U.S. administration to "cause damage to the entire Olympic movement."

BL outlines lay-offs amid bleak sales news

BY ARTHUR SMITH

BL CARS yesterday began revealing to the unions details of its proposed temporary plant shutdowns—which could mean up to 50,000 lay-offs—amid continuing gloomy news of its sales performance.

After a promising start this month, the company's share of the UK market had slipped to 18.8 per cent for the first 10 days overall—traditionally the best period for the State-owned concern.

In a buoyant market with sales of more than 50,000 compared with 133,000 for the full month last year, Ford was the clear leader with 31.6 per cent.

Imports were down, at 54 per cent, with Vauxhall improving to 10.7 per cent and Talbot (UK) to 7 per cent.

BL's performance, even on such preliminary figures, is bound to cause disappointment within the company given the incentives being offered to dealers and the present "Buy British" campaign.

Hopes of keeping the planned extensive employee lay-offs to the minimum rest on a sales recovery over the next two months.

BL is expected to halt production before the end of February at the body and assembly plants at Cowley, Oxford, where the Princess, Marina and Maxi are assembled. About 8,000 workers will initially be made idle for two to four weeks.

The move will quickly affect the Longbridge, Birmingham plant where 1,000 employees supplying engines to Cowley are likely to be put on short time. The extent of lay-offs on Rover Saloon production at Solihull and Triumph assembly at Canley, Coventry, have still to be determined.

BL decided to lay-off workers because it does not have the cash to continue building for stock.

Engineering union shop stewards from Longbridge were meeting in Birmingham last night to assess support for their executive's strike call to secure the reinstatement of Mr. Derek Robinson, the dismissed convenor.

Editorial Comment, Page 22

Check on Rhodesia poll

BY OUR FOREIGN STAFF

BRITAIN is to send 400-500 police and local government volunteers to Rhodesia later this month to curb intimidation of rural voters when they go to the polls on February 27-29.

The volunteers, officials insist, will have no security role but will supervise polling stations throughout the country and help ensure the secrecy of the ballot.

The move, announced in the House of Commons yesterday by Sir Ian Gilmour, the deputy Foreign Secretary, is acknowledged to be a response to growing international anxiety over intimidation by black political parties.

In Salisbury Mr Joshua Nkomo and Mr Robert Mugabe, the leaders of two principal black parties, met yesterday in an apparent attempt to resolve some of their differences. The two men were allies in the seven-year guerrilla war which ended with the Lancaster House agreement last December.

After the talks, Mr. Nkomo was quoted as saying "serious matters" had been discussed, but he indicated that there had been no reconciliation.

It was the first time Mr. Nkomo and Mr. Mugabe had met since returning to Rhodesia to campaign in the election. Reports of intimidation have grown, and the interim British administration has pinned most responsibility on Mr. Mugabe's supporters, although Mr. Mugabe himself has suffered two direct attacks on his life.

In the latest terrorist incident, a civilian bus came under small arms fire yesterday 30 miles north of Salisbury. Two women were injured.

Altogether some 300 people have died since the ceasefire was declared. The all-party ceasefire commission, which reviews reports of ceasefire breaches, puts most of the blame on dissident guerrillas loyal to Mr. Mugabe.

In his Commons statement yesterday, Sir Ian Gilmour said investigations were being pursued into what he called the "deplorable attack" last weekend on Mr. Mugabe.

He also disclosed that the Rhodesian Attorney General was considering whether or not to prosecute Mr. Garfield Todd, a former Rhodesian prime minister, on charges of aiding "terrorists."

Meanwhile, Rhodesian whites go to the polls today to elect 20 MPs for the new 100-seat Zimbabwe assembly. The Rhodesian Front Party, led by Mr. Ian Smith, is unopposed in 14 constituencies. In only two of the remaining six seats do independent candidates stand any chance of coming close to Rhodesian Front contestants.

Reuter adds from Addis Ababa: The Organisation of African Unity yesterday called on all member states to use their influence on Britain to ensure free and fair elections in Rhodesia.

A resolution approved by the 49-nation body's council of ministers also urged the international community to join black Africa's efforts to ensure that Britain implements the Lancaster House agreement.

Role of white MPs, Page 8
Parliament, Page 12

Industrial output figures do not prove recession

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE ECONOMY seems to have stopped expanding well before the end of 1979 but latest industrial output figures do not provide conclusive evidence of the long-awaited recession's start.

Central Statistical Office figures published yesterday show October-December industrial output fell fractionally compared with the previous three months.

However, the trend was affected by the engineering dispute between August and October.

There may, however, have been some decline in output since the beginning of this year. Last week's Confederation of British Industry Economic Situation Report noted impressions "that production levels might have been held down as a result of weak demand and high levels of stocks."

The Whitehall view is that, apart from expansion in the energy sector, the underlying level of industrial production has changed little since 1978. The pattern has been affected by the particularly bad weather early last year and by major industrial disputes.

Manufacturing output rose only 0.4 per cent last year compared with 1978, and construction activity was 2-3 per cent below its 1978 level.

The all-industries index of output rose 2.5 per cent last year. Most of this is accounted for by a rise of 45 per cent in North Sea oil and gas production, and a 6 per cent increase in the gas, electricity and water industries' output.

INDUSTRIAL PRODUCTION
(1975=100, sesonally adjusted)

	All Industries	Manufacturing
1977	106.0	103.0
1978	109.9	103.8
1979	112.7	104.2
1st	109.7	102.2
2nd	115.3	107.6
3rd	113.3	103.1
4th	112.7	103.8
Oct.	112.2	103.0
Nov.	114.0	105.4
Dec.	111.9	103.1

Source: Central Statistical Office

These figures highlight British industry's failure to respond fully to the past two years' buoyant consumer demand and the consequent sharp rise in imports.

There is suspicion among economists that published figures may understate the level of activity, partly for statistical reasons and partly because of the growth of the informal cash economy.

Latest figures show the all-industries index fell 1.8 per cent to 111.9 (1975=100, seasonally adjusted) between November and December.

This distorts the underlying position because the November output was boosted by industry's recovery after the engineering strike, and production in December may have been depressed by longer-than-usual Christmas holidays.

Imperial Gas in £58m bid for CompAir group

BY REG VAUGHAN

IMPERIAL CONTINENTAL Gas Association, the fuel and power group with North Sea oil interests, emerged yesterday as the suitor for CompAir, Birtain's leading compressed air group, on agreed terms valuing the company at £58m.

The offer values each CompAir Ordinary share at 105p which compares with a price of 78p on February 8, the day before CompAir announced that bid talks were in progress. CompAir shares closed 6½p higher at 102p, while ICG slipped 18p to 746p.

The terms are 55p cash plus 50p of new convertible loan stock, with a market value of par, for each CompAir Ordinary 25p share. As an alternative to the cash portion, ICG will offer a similar amount of 12½ per cent loan stock 1985, initially redeemable at par on September 30.

If the offer became unconditional ICG would put terms to the holders of CompAir's £2.8m 8½ per cent convertible bonds on terms that reflect the offer for the Ordinary. The terms value the fully diluted capital of CompAir at £63.4m.

Sir William Mather, chairman of CompAir, said at yesterday's annual meeting that the merger offered the prospect of enhancing the group's strength in world markets. He was confident that it would mean "an exciting new chapter in the group's development."

Mr. Alexanded Masters, chief executive, said be considered the offer price pitched at the level. CompAir had received no bid approaches recently but overtures had been made "over the years," although no firm offers.

Mr. T. Cotton, ICG director of planning and business development, said that he was very enthusiastic about CompAir, which he described as "a super British company." ICG's move was a strategic one into "clean and basic power."

CompAir is a product of the defunct Industrial Reorganisation Corporation, which sponsored the original merger between Broom and Wade and Holman Brothers, two leading makers of air compressors.

CompAir is one of the IRC success stories but in 1978-79 the group reported a downturn in pre-tax profits from £11.58 to £8.36m.

ICG has electricity and gas interests in Belgium. Its other major interests include Calor Gas.

ICG has been advisad by S. G. Warburg and Lazard Brothers, CompAir by Morgan Grenfell.

Background, Page 8

Steel

Continued from Page 1

ther into manufacturing industry.

"The strike has been going on for six months and nothing has happened. We've got to make it happen," said Mr. Sheridan.

Robin Reeves writes: Welsh miners' leaders have invited the local leadership of the ISTC and Blastfurnacemen to their Pontypridd headquarters tomorrow to offer any support steel unions would like, including strike action.

But while they support the steelworkers' pay demands, the Welsh miners' prime concern is to forge an alliance against the major job losses threatened in the Welsh steel and coal industries. They want an all-out strike in March in coal, steel and related transport industries unless BSC's planned cut is halted.

Weather

UK TODAY

DRY at first

London, S.E., E. England
Dry, sunny intervals. Max. 8-9C (48F).

Cent. S., Cent. N., N.E., N.W. England, E., W. Midlands, Channel Isles, Lakes
Dry at first. Rain later. Mild. Max. 8-9C (48F).

S.W. England, Wales, Isle of Man
Cloudy. Rain at times. Clear later. Mild. Max. 9C (48F).

Borders, Edinburgh, Dundee, Aberdeen, N.E. Scotland, Highlands
Cloudy. Rain spreading. Mild. Max. 8C (46F).

Outlook: Continuing mild

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	14	57	Locarno	F	7	45
Algiers	S	18	64	London	C	7	45
Amsdm.	F	8	46	Luxmbg.	F	4	39
Athens	R	8	48	Luxor	C	25	77
Bahrain	S	20	68	Madrid	S	10	50
Barclna.	S	13	55	Majorca	F	15	59
Belfast	S	8	48	Malaga	S	18	64
Belgrd.	F	6	43	Malta	S	14	57
Berlin	S	−1	30	M'chstr	C	7	45
Biarritz	S	15	59	Melbne.	S	32	90
Bmghm.	C	7	45	Mex. C.	S	20	68
Blackpl.	C	7	45	Milan	Fg	2	36
Bordx.	C	12	54	Mntreal.	C	−5	24
Boulgn.	F	7	45	Moscow	S	−10	14
Bristol	C	8	46	Munich	S	5	41
Brussels	S	8	46	Nairobi	S	24	76
Budpst.	R	4	39	Naples	F	12	54
B. Aires	S	31	87	Nwcstl.	C	8	46
Cairo	S	24	75	N. York	S	1	34
Cardiff	C	8	46	Nice	S	13	55
Cas'b'ca	C	17	63	Oporto	S	14	57
Cape T.	S	24	75	Oslo	Sn	−2	28
Chicago	C	−5	24	Paris	F	6	43
Cologne	R	6	43	Perth	S	26	79
Cpnhgn.	C	−1	30	Prague	C	3	37
Corfu	C	12	54	Reykjvk.	S	3	37
Dublin	C	8	46	Rhodes	C	14	57
Dbrvnk.	S	11	52	Rio J'o	C	32	89
Ednbgh.	C	8	48	Rome	S	14	57
Faro	S	16	61	Salzbrg.	S	5	41
Florence	S	10	50	Singapr.	C	30	85
Frankft.	F	6	43	Stckhm.	C	−5	21
Funchal	C	17	63	Strsbg.	S	4	39
Geneva	S	6	43	Sydney	S	26	79
Gibrltr.	S	15	59	Tangier	C	13	55
Glasgow	F	10	50	Tehran	S	5	40
G'rnsey	R	9	48	Tel Aviv	C	21	70
Helsinki	Sn	−8	18	Tenerife	F	15	59
H. Kong	S	18	62	Tokyo	S	8	46
Innsbrk.	S	5	41	Toronto	C	−5	23
Invrnss.	S	10	50	Tunis	F	16	61
Istanbul	R	4	39	Valencia	S	16	51
Jersey	R	8	48	Venice	S	6	43
Jo'burg	S	26	79	Vienna	C	5	41
L. Plms.	F	20	68	Warsaw	C	−3	27
Lisbon	S	13	55	Zurich	F	2	36

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Shell plans to boost winter supply of North Sea gas

BY RAY DAFTER, ENERGY EDITOR

SHELL, as operator for a four-company consortium, plans to develop a natural gas field in the North Sea to boost winter supplies to British Gas Corporation.

The offshore partners—Shell, Esso, British National Oil Corporation and Allied Chemical—are studying development schemes that would enable them to cease production at the field in summer when demand for gas is at its lowest.

The project, involving gas reserves south-east of the big Indefatigable field, in blocks 49/24 and 49/25a, could cost at least £100m-£200m. The eventual size of investment will depend on the amount of equipment and the number of platforms needed to cope with a big variation in gas flow rates.

Shell and its partners are said to be having exploratory discussions with the gas corporation over various production schemes.

The oil companies almost certainly will demand a far higher price for south-east Indefatigable gas than is being paid by the corporation to producers in the southern sector of the North Sea.

Oil companies complain that as a result of established contracts British Gas pays well below international market prices for "southern gas."

It is understood that producers are being paid between 2.5p and 4p a therm against about 10p for gas produced from newer fields in the northern sector of the North Sea.

Continental companies are said to be paying 12-14p a therm for gas produced in the Norwegian and Dutch sectors of the North Sea.

British Gas has said that it will have to pay higher prices as new fields are developed. South-east Indefatigable would be a case in point, for development work, aimed at seasonal operation, would be much more expensive than conventional methods.

According to industry reports the south-east Indefatigable field is a particularly suitable candidate for on-off operations, largely because of the reservoir's good flow characteristics.

British Gas, faced with big seasonal swings in demand, is looking at a number of schemes for increasing the flexibility of supplies.

For instance, the corporation is believed to be nearing agreement with the Amoco group for the takeover of the Rough field in the southern part of the North Sea.

If the deal goes through, British Gas will spend possibly over £500m modifying the production facilities in the field.

Rough will then be turned on as a producer during winter months and used as a natural storage vessel for surplus gas from other fields during summer.

The corporation also plans to exploit its own Morecambe field, in the Irish Sea, on a seasonal basis. Again output will be increased in winter.

THE LEX COLUMN

Furness: earnings versus assets

Faced with the prospect of an unwanted rise in clearing bank base rates, the Bank of England has come to the clearers' help in a big way. It is offering £500m of direct finance over next week's make-up day, and doing its best in the discount market to create easier conditions.

In theory, this is no more than a technical operation to smooth out money market pressures. But it will prevent the corset controls biting with their full rigour, and thus looks suspiciously like an unwillingness to let the monetary squeeze take proper effect. The levels of short-term interest rates which result from the Government's monetary policy are, it seems, politically unacceptable.

The Bank will have to tread carefully in the next few weeks if it is to avoid being accused of weakness. The clearing banks, who now have their tails up, will be baying for more "technical" help, which they should probably be denied.

Index rose 9.5 to 478.8

Furness Withy

Two more nap selections of the Worshipful Company of Insider Dealers duly romped home yesterday, with a bid for Furness Withy from the C. Y. Tung group of companies and an agreed offer for CompAir from Imperial Continental Gas. Both takeovers have been widely heralded in the last few days, and make the City look a very shabby place.

The offer for Furness Withy is 360p per share in cash and the market price ahead of the news was 332p, a rise of 84p in a week. A bid of £96m looks very generous on the basis of the short to medium term earnings prospects. Although Furness made £22.6m in 1976, it scarcely broke even in the first half of last year and some of its interests — like Manchester Liners—are currently in very rough waters. A circular from brokers W. Greenwell forecasts profits of £3m pre-tax in 1979 and £9m in 1980, which would not leave much room for manoeuvre with a dividend that costs £2½m net. The yield at 360p is just 3.6 per cent.

However this bid seems likely to be fought, and asset values will be the battle field. Furness has spent £106m on fixed assets in the last three years alone, and its net asset value, taking in properties at directors' valuations, is more than £124m. The figure could be over £160m (£6 per share) if the fleet is taken at current market values. The ships are financed by equity and around £100m of cheap shipbuilding loans, and in its last balance sheet Furness boasted over £25m of quoted investments and net liquid assets.

A defence would also have a fallback position in the Monopolies Commission's report on the approach from Eurocanadian in 1976. This said that the interests of British shippers were more likely to be supported effectively by a British than by a foreign-owned ship operator.

Engineers

A year ago this week Birmid Qualcast, reporting a sharp fall in profits for the second year running, nevertheless raised its dividend by the then semi-statutory 10 per cent to fend off the wrath of the fund managers. In the succeeding year earnings have again been dreadful—down 35 per cent to £3.1m pre-tax after £3.3m of rationalisation costs; this time, despite feeling fairly confident about the imediate future, Birmid has lopped a fifth off the total dividend.

Ironically enough the share price, having fallen for much of the last 12 months in anticipation of a dividend cut, rose 3½p yesterday to 46½p where the yield is 13 per cent.

Despite a £3m increase in borrowings in 1978-79, Birmid's balance sheet looks strong enough. But the reduced dividend is only just covered by attributable earnings thanks to the low tax charge. And the group's cash position is poor, especially after the CSEU strike. With the steel strike just about to have an effect, the £850,000 it has saved on dividend costs is not negligible. Birmid must also be making thumping current cost losses (which are not disclosed), and after its rationalisation programme it can no longer pretend that the extra depreciation called for by the Hyde guidelines is academic.

This year the rationalisation costs should be lower, as should the losses from strikes, and there may be £1m of other loss elimination, in South Africa and in the irrigation business. But further cutbacks at BL would again leave Birmid with too much capacity for efficient operation, and the outlook for demand in the next couple of years is poor.

Just how uncertain the future is for medium-sized engineering companies, even in growth sectors, is illustrated by CompAir's acceptance of a bid—generous enough, admittedly, from I.C. Gas. The demands of inflation on fixed and working capital left CompAir with the choice of lowering its sights or finding a rich uncle.

Gold Fields

An unfortunate cut from yesterday's column may have left the impression that De Beers was justified in not making a partial offer available to all Consolidated Gold Fields' shareholders. On the contrary, its discrimination against small shareholders was deplorable.

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